



BUDGET BRIEFER 2021



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Background

The Department of Health (DOH) is the overall technical authority on health, as the national health policy-maker and regulatory institution. The DOH is composed of the Office of the Secretary (OSEC) with more than 120 implementing units (central offices, regional offices or the Centers for Health Development, hospitals and other health facilities), the National Nutrition Council, which is a DOH-OSEC attached agency, and six (6) attached corporations including the Philippine Health Insurance Corporation or PhilHealth. Together these different units perform their roles to continuously improve the country's health care system.

The FOURmula One (F1) Plus for Health sector strategy is built along the health system pillars of financing, service delivery, regulation, governance and performance accountability. It will be the basis for transitioning to universal health care.

The Universal Health Care (UHC) Act or Republic Act No. 11223 aims to achieve the three major goals of the health system:

- Better health outcomes with no major disparity among population groups;
- Financial risk protection for all especially the poor, marginalized and vulnerable; and
- A responsive health system which makes Filipinos feel respected, valued and empowered.

Being a reform policy, the UHC Act¹ has the following key features:

1. Financing - There will be a clear delineation on the financing roles of DOH and PhilHealth. PhilHealth will be assigned as the national purchaser of individual-based health goods and services and DOH will finance population-based health services. PhilHealth membership will be simplified into direct or indirect contributors to streamline the funds and ensure higher efficiency of premium collection.
2. Service Delivery - Primary care will be institutionalized as a prerequisite to access higher level of care; public providers will be able to retain their income, and fragmented providers will be consolidated into networks practicing client/patient navigation and referral.
3. Regulation - Transparent pricing of medical services and fixed co-payments will be mandated. Health Technology Assessment (HTA) was established to guide investments of DOH and coverage decisions of PhilHealth. Availability of basic ward accommodation in all facilities will be ensured through prescribed basic-private bed ratios—90:10 for public health facilities, 70:30 for public specialty health facilities, and a minimum of 10:90 for private health facilities.

¹ The UHC Act does not strictly adhere to the F1 Plus Pillars.

4. Governance - Healthcare providers will be required to submit health/financial data and share publicly funded data sets. The health workforce will be strengthened which includes requiring return service for health professionals who graduated from public universities for at least 3 years to ensure availability of health care professionals in underserved areas.

However, the year 2020 posed a big challenge to many countries worldwide. The Coronavirus Disease or COVID-19 pandemic has impacted not only the country's health system but its economy as well. With the pronouncement of Proclamation No. 922 on March 8, 2020, a "State of Public Health Emergency" was declared throughout the Philippines. Community quarantine measures were implemented in the country to prevent further spread of the disease and for the health system to increase its capacity to handle a surge of cases. All government agencies, local government units (LGUs) and the private sector were directed to provide full assistance and to cooperate and mobilize necessary resources to undertake critical, urgent and appropriate response and measures to respond and prevent further spread of the COVID-19 in the country.

Given this current situation, the importance of health system resilience is highlighted. The capacity of the health system in the country in terms of crisis preparedness and response and to continue delivery of essential health services is a characteristic of a responsive and effective health care system, which is also the goal of Universal Health Care. Thus, investments in the health system to increase its capacity are the priorities in the short- and medium-term.

This CY 2021 Budget Proposal aims to bridge the gap in the health system's needs to adapt to the public health crisis and facilitate the shift towards the new normal, and to improve the overall responsiveness and efficiency of the health sector through the implementation of the UH CAct. Our Catch-up Plan to implement key reforms of the Universal Health Care Act are as follows:

- 1) Integrating local health systems into province- and city-wide health systems to strengthen capacities of LGUs to implement population-based services like primary care and to readily respond to emerging threats and emergencies, including implementation of alternative modes of service delivery that comply with infection control standards and physical distancing
- 2) Improving health system capacities to adequately respond to health emergencies, particularly for emerging infections
- 3) Enhancing epidemiologic and surveillance systems by institutionalizing streamlined and digital processes and mechanisms for data management, emphasizing enhanced and more instantaneous data generation and analytics
- 4) Maximizing multi-sectoral engagement, i.e. private, civil society other local and international partners, to manage public health emergencies
- 5) Instilling more responsible community behavior through enhanced health promotion and health literacy campaign



Objectives

CY 2021 marks the second year of UHC Act implementation. With the current public health crisis that the country is facing, the Department of Health aims to achieve the following objectives:

1. To build a resilient health system that is responsive to the pandemic, especially to emerging and re-emerging infectious diseases; and,
2. To strengthen local health systems and improve the delivery of population-based health services such as epidemiology and surveillance, health promotion, and health emergency preparedness and response.

The first objective gives importance to the Operations of National and Subnational Laboratories including the provision of laboratory consumables and equipment; Prevention and Control of Communicable Diseases which provides for the personal protective equipment (PPE) and COVID-19 testing cartridges in CY 2021; augmentation to operations of DOH Hospitals; and the HRH Deployment Program. On the other hand, the second objective is based on Rule 17.3 of the implementing rules and regulation of the UHC Act, which mandates province- and city-wide health systems to establish the following minimum population-based health services components: primary care provider network; epidemiologic surveillance systems; health promotion; and, health emergency preparedness and response.

In support of these objectives, the Department identified these budget priorities that fall into three categories:

Priority 1. UHC Act Implementation and Health System Resilience for Emerging Infectious Diseases / Pandemic, e.g. COVID-19;

Priority 2. Other Health Law-related Proposals; and,

Priority 3. Urgent and Compelling Need.

Apart from these prioritization criteria, the Department has taken into consideration its past physical and financial performance in the formulation of the CY 2021 DOH Budget Proposal.

Considerations in the CY 2021 DOH Budget

In support of the two main objectives above, the Department has taken into consideration the following in the formulation of the CY 2021 DOH Budget Proposal:



Budget Priorities Framework

For the CY 2021, the Department identified the following budget priorities namely:

Budget Priorities	Details
<p>Priority 1. UHC Act Implementation and Health System Resilience for Emerging Infectious Diseases / Pandemic</p>	<p>Implementation of UHC foundational policies, such as:</p> <ul style="list-style-type: none"> ● Organization of Province / City-wide health systems; ● Ensuring availability of services and Primary Care benefits in the Primary Care Provider Network; ● Delivery of the Population-based Health Services <p>Implementation of COVID initiatives and strengthening health system resilience</p>
<p>Priority 2. Other Health Law-related Proposals</p>	<p>Implementation of DOH mandates based on rulings & enacted health laws and its IRRs.</p> <ul style="list-style-type: none"> ● RA No. 11463 or the Establishment of Malasakit Centers ● RA No. 11332 or the Law on Reporting of Communicable Diseases ● RA No. 11215 or the National Integrated Cancer Control Program ● RA No. 11166 or the Comprehensive Policy on HIV-AIDS Prevention ● RA No. 11148 or the Integrated strategy for Maternal, Neonatal, Child Health and Nutrition for the first 1,000 days of life ● RA No. 11037 or the National Feeding Program for Undernourished Children ● RA No. 11036 or the National Mental Health Policy ● RA No. 10932 or the Anti-hospital Deposit Law ● RA No. 11469 or the Bayanihan to Heal as One Act ● Other health facility specific laws
<p>Priority 3. Urgent and Compelling Need</p>	<p>Implementation of programs, activities and projects to ensure trajectory towards the attainment of strategic goals indicated in the National Objectives for Health 2017-2022</p>



New Normal

Due to the pandemic, the report “We Recover as One” stated the following expected changes in society that will define the “new normal”. Despite the limitations in the CY 2021 NEP, the DOH will aim to increase the capacity of the health sector to meet these expectations:

- Enhanced capacity of the National Government and LGUs to manage multi-dimensional risks arising from public health emergencies;
- Increased health system capacity to adequately respond to COVID-19;
- Implementation of efficient system for handling hospital and municipal waste;
- Increased demand for mental health care due to anxiety and grief;
- Shift in societal behavior and preferences towards being healthier;
- Physical distancing and hygiene protocols;
- Increased dependence on e-commerce and digital technology;
- Increased concerns for data security and data discrimination;
- Increased demand for health-related technologies and innovations; and,
- Review of legal frameworks to determine insufficient latitude to implement the needed interventions

Mandanas Ruling

The Mandanas Ruling originated from a case filed by Batangas Governor Mandanas, which challenged the constitutionality of the computation of the Internal Revenue Allotment (IRA). The Supreme Court ruled in favor of Gov. Mandanas, which in summary states that the “just share” of LGUs include all national taxes and not just the national internal revenue taxes, but also Customs duties and others. The ruling has become final and executory starting June 10, 2019.

In the next cycle of the recomputation of the IRA in 2022, preliminary estimates show that the LGU budget should increase by 30.73% or equivalent to 1% of the GDP. The proposed measure by the DBM to mitigate the impact is to gradually “redevolve” services to LGUs. Starting 2020 budget, DBM has been working with NGAs in developing an action plan up to 2022 for the redevolution of services to LGUs.

At present, the Department is reviewing the draft Executive Order from DBM regarding its implementation. The EO intends to delineate functions between the national government and LGUs, prepare a 3-year further devolution transitioning plan, capacity building for LGUs and launching of a communication plan.

Further, the National Budget Memorandum No. 136 “Budget Priorities Framework for the Preparation of the FY 2021 Agency Budget Proposals” states that as a transition towards the implementation of the Supreme Court decision on the Mandanas petition, agencies implementing functions and services for devolution shall include in their budget proposals



the funding requirements for capacitating their agencies and the LGUs to deliver the devolved services under agency supervision and/or monitoring.

2019 DOH Performance

Physical Performance

In CY 2019, the DOH was able to deliver improvements in outcomes and in outputs for select performance indicators as shown in Table 1.

Table 1. DOH Physical Performance CY 2017-2019

Program	Performance Indicator	CY 2017 Accomplishment	CY 2018 Accomplishment	CY 2019 Accomplishment
National Health Insurance Program	Percent of the population covered by PhilHealth	93% (97 million Filipinos)	98% (104.5 million Filipinos)	100% ² (108.1 million Filipinos)
Social Health Protection Program	Number of patients provided with medical expense assistance thru MAIP	1.18 M	1.36 M	1.54 M
Public Health Program	Modern Contraceptive Prevalence Rate	53% ²	57% ³	28% ⁴
	Number / Percent of People Living with HIV on Anti-retroviral Therapy	24,754 (51%)	33,593 (42%)	39,995 (61%)
	Number of Malaria-free provinces (Out of 81 endemic provinces)	42	50	60
	Number of Filariasis-free provinces (Out of 46 endemic provinces)	38	40	43
	Number of Rabies-free zones/ provinces (Total = 81 provinces)	6	7	8
Health Systems Strengthening	Number of doctors deployed	516	456 ⁵	511
	Number of nurses deployed	17,538	17,856	18,166
	Number of midwives deployed	4,549	5,022	4,600 ⁶
	Number / Percent of HFEP-projects that started implementation	2,615 (91.25% of 2,867)	5,773 (92.24% of 6,259)	4,902 (94.07% of 5,211)

² Per Section 6.1 of the IRR of RA 11223, all Filipinos shall be granted immediate eligibility and therefore are covered. As of CY 2019, PhilHealth Registration Rate is 90.44%

³ mPCR among married women

⁴ Starting 2019, the indicator for mPCR Accomplishment is among Women of Reproductive Age (WRA)

⁵ Lesser doctors deployed in 2018 than in 2017 due to the implementation of SSL tranche 3

⁶ Shift from MOOE funding to PS-Contractual, actual target is met (4,600 out of 4,000 targeted for deployment)

Financial Performance

In 2019, the DOH-OSEC was able to obligate 88 percent of the allotted budget, equivalent to PhP 97 billion of the allotted budget of PhP 110 billion. In terms of disbursement, it is at 74 percent or PhP 72 billion of the PhP 97 billion obligations incurred. This is presented by expense class in Table 2.

Table 2. DOH-OSEC Financial Performance in CY 2019*, Amount in Billion PhP

Expense Class	Allotment	Obligation		Disbursement	
		Amount	%	Amount	%
PS	49	48	98	47	98
MOOE	42	35	83	22	63
CO	19	14	73	3	21
TOTAL	110	97	88	72	74

Source: Financial Utilization Report CY 2019, as of December 31, 2019

*Note: CY 2019 Amount includes 2018 Continuing Appropriations, Special Purpose Funds, and Automatic Appropriations

Budget Discussion

Fiscal Space

In the National Budget Memorandum No. 136, the DBM, through the Development Budget Coordination Committee, determined that the total budget for 2021 for the National Government is pegged at PhP 4,355.2 billion, which is higher by 5.7 percent when compared to PhP 4,100 billion budget in 2020. Of this, around 40.7 percent or PhP 1,767.3 billion is earmarked for the cost of ongoing programs and projects for Tier 1. Automatic appropriations and special purpose funds will account for another PhP 1,726.2 billion or 39.8 percent of the budget. This leaves a fiscal space of PhP 841.7 billion for expanded and new programs and projects under Tier 2 for all agencies. Due to this limited fiscal space, the focus will be on prioritization of health care and food production, discontinuance of programs no longer in line with the “new normal” and review/reprioritization of Tier 1 budget allocations.

CY 2021 Sources of Funds for UHC

Section 37 of the UHC Act specifies the appropriations measures for the implementation of the provisions of the said law. Below are the identified sources of funds for UHC:

- Total incremental sin tax collections as provided for in RA 10351. In addition, mandated earmarks as provided for in RA 7171 and 8240 shall be retained;



- Fifty percent (50%) of the National Government share from the income of Philippine Amusement and Gaming Corporation (PAGCOR);
- Fifty percent (50%) of the Forty percent (40%) of the Charity Fund, net of Documentary Stamp Tax Payments, and mandatory contributions of Philippine Charity Sweepstakes Office (PCSO);
- Premium contributions of members;
- Annual appropriations of the DOH included in the GAA; and,
- National Government subsidy to PhilHealth included in the GAA.

Table 3. CY 2021 Sources of Funds for Universal Health Care

Funding Source	Amount (in Billions)	Remarks
DOH-OSEC and PhilHealth Baseline Budget	53.23	DOH-OSEC and PhilHealth budget in 2013 (prior to RA 10351)
Sin tax collections in 2019 ⁷	101.81	DOF-BIR Certification attributed for CY 2021 based RA 10351 (Pending BOC Certification for Alcohol)
DOH-OSEC and PhilHealth Natural Increase	43.66	DOH-OSEC (127.3B 2021 NEP) and PhilHealth (71.4 2020 GAA); Formula = (2021 NEP – Baseline + Sin tax incremental for health)
Philippine Amusement Gaming Corporation (PAGCOR)*	7.09	50% of the NG share from income of PAGCOR (Source: PAGCOR 2020 Projections as of September 3, 2020)
Philippine Charity Sweepstakes Office (PCSO)*	3.74	50% of the 40% of the charity fund for the first two years per the UHC Act Sec. 41 (j)
TOTAL	209.46	

*Not earmarked for health and part of the general fund

Overview of the CY 2021 National Expenditure Plan (NEP)

The Department of Health - Office of the Secretary has a total allocation of PhP 127.29 billion for CY 2021 under the National Expenditure Plan. This is 27 percent higher than the CY 2020 General Appropriations Act. On top of this, a total of PhP 608.78 million is to be charged under the Special Account in the General Fund (SAGF). Of this amount,

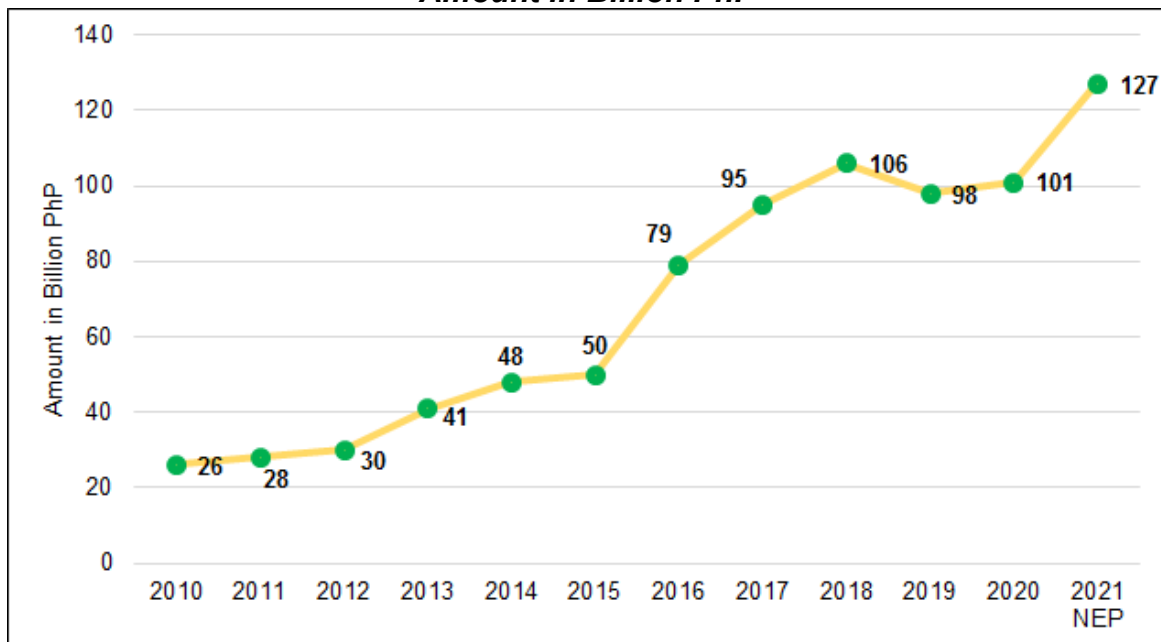
⁷ Based on DOF: For the 2021 budget, computations for earmarked funds for health are based on the 2019 actual sin tax collections as it is a transition year given that there are new and different earmarking provisions under RA 11346 and RA 11467



PhP 91.74 million is for the Bureau of Quarantine (BOQ) and PhP 517.03 million for the Food and Drug Administration (FDA)

The major cost drivers of the DOH-OSEC budget are the following budget line items: Human Resources for Health Deployment (HRH Deployment), Medical Assistance to Indigent Patients, Health Facilities Enhancement Program (HFEP), National Immunization, and Prevention and Control of Communicable Diseases. Figure 1 shows the trend of the budget appropriated for health from GAA 2010-2020 and NEP 2021. For CY 2021, agencies will continue the cash-based budgeting system, where the budget is expected to be fully disbursed within the year.

Figure 1. DOH-OSEC Budget Trend from GAA 2010-2020 to NEP 2021, Amount in Billion PhP



Note: The trend is without allocation for Retirement and Life Insurance Premiums (RLIP) & Special Accounts in the General Fund (SAGF)

In terms of expense class (Table 3), the Personnel Services (PS) has the highest proportion of budget at 48 percent or PhP 61.14 billion, followed by Maintenance and Other Operating Expenditures (MOOE) at 44 percent or PhP 60.25 billion, and Capital Outlay (CO) at 8 percent or PhP 10.08 billion.

Table 3. DOH-OSEC CY 2021 NEP Budget in comparison with 2020 GAA budget level by Expense Class, Amount in Billion PhP



Expense Class	2020 GAA	2021 NEP	
		Amount	% of Total NEP
PS	46.19	61.14	48%
MOOE	42.18	56.07	44%
CO	12.19	10.08	8%
TOTAL	100.56	127.29	100%

The DOH-OSEC CY 2021 NEP budget of PhP 127.29 billion comprises the agency specific budget, budget for operations in support of its four (4) organizational outcomes, including the loan proceeds for the foreign-assisted projects. Table 3 shows the breakdown of the DOH-OSEC CY 2021 NEP Budget in comparison with the GAA 2020 budget level.

Table 4. Breakdown of the DOH-OSEC CY 2021 NEP Budget in comparison to GAA 2020 Budget Level, Amount in Billion PhP

Particulars	2020 GAA	2021 NEP	% of Total NEP
Agency Specific Budget			
GAS	6.64	8.09	6.4%
STO	2.43	1.81	1.4%
Sub-Total	9.07	9.90	7.8%
Operations			
OO1: Access to Promotive & Preventive Health care Service Improved	38.09	51.45	40.4%
OO2: Access to Curative & Rehabilitative Health Care Service Improved	42.03	47.70	37.5%
OO3: Access to Safe & Quality Health Commodities, Devices and Facilities ensured	0.88	0.93	0.7%
OO4: Access to Social Health Protection	10.48	17.31	13.6%
Sub-Total	91.49	117.39	92.2%
TOTAL	100.56	127.29	100%



The bulk of the budget under the DOH-OSEC is for the operations of its organizational outcomes amounting to 117.39 billion or 92.2 percent of the total agency budget. The agency specific budget for General Administration and Support and Support to Operations comprises 7.8 percent or PhP 9.9 billion. The budget proposed for Organizational Outcome 1 (OO1): *Access to Promotive and Preventive Health Care Services Improved*, has the biggest share at 40.4 percent or PhP 51.45 billion. Activities under OO1 include HFEP, HRH Deployment, Public Health Programs, and the Foreign-Assisted Projects. This is followed by the proposed budget for OO2: *Access to Curative and Rehabilitative Health Care Services Improved* with 37.5 percent of the proposal or PhP 47.70 billion. OO2 activities include Operations of National (and Sub-national) Reference Laboratories, DOH-retained hospitals, and Drug Abuse Treatment and Rehabilitation Centers.

Highlights of the CY 2021 NEP Budget Proposal

Creation and Merging of New Budget Line Items

In the NEP 2021, DBM approved the merging of the following line items of the Disease Prevention and Control Bureau for purposes of streamlining projects and activities subsumed under the nomenclature of two new PREXC Sub-Programs namely: (i) Family Health, Immunization, Nutrition, and Responsible Parenting, and (ii) Prevention and Control of Communicable Diseases.

FROM	TO
National Immunization	Family Health, Immunization, Nutrition and Responsible Parenting
Family Health, Nutrition and Responsible Parenting	
Elimination of Diseases	Prevention and Control of Communicable Diseases
TB Control	
Rabies Control	
Prevention and Control of Infectious Diseases	



Similarly, the following budget line items are newly created in the NEP 2021:

- A total of PhP 486.31 million for the **Procurement and Supply Chain Management Service** for the hauling, warehousing, and brokerage costs of public health commodities;
- A total of PhP 6.35 million for **Health Technology Assessment (HTA)** for the operating expenses of the HTA Unit; and
- A total of PhP 53.9 million for the operations of **Maria L. Eleazar General Hospital** under the Operations of DOH Regional Hospitals and Other Health Facilities

Major Thrusts of the DOH Budget

For CY 2021, the major thrusts in the DOH budget are based on the health commitments in the Philippine Development Plan and the Budget Priorities Framework. The major activities of the DOH-OSEC can be categorized under three main priorities namely:

- Priority 1: UHC Act Implementation-related and Health System Resilience for Emerging Infectious Diseases / Pandemic

The following are the sub-priorities under Priority 1. The first three are associated with the implementation of the UHC Act:

- Sub-priority 1.1: UHC-related Activities
 - Sub-priority 1.2: Population-based Health Services
 - Sub-priority 1.3: Primary Care Service Provision
 - Sub-priority 1.4: COVID-19 Initiatives / Health System Resilience
- Priority 2: Other Health Law-related
 - Priority 3: Urgent and Compelling Need

Through the funding of these budget proposals, the Department aims to: (i) attain a health system that is resilient and responsive to the pandemic, especially to emerging and re-emerging infectious diseases; (ii) strengthen the local health systems; and (iii) improve the delivery of population-based health services such as epidemiology and surveillance, health promotion, and health emergency preparedness and response.



Priority No. 1: UHC Act Implementation and Health System Resilience for Emerging Infectious Diseases / Pandemic, e.g. COVID-19

A total of **PhP 51.99 billion** are categorized under this priority. P/A/Ps are further classified into two namely: (i) UHC Act implementation-related activities and (ii) Health System Resilience for Emerging Infectious Diseases/Pandemic (e.g. COVID-19) activities.

For UHC Act implementation related activities, a total of **PhP 38.96 billion** is allotted for the following budget line items: (i) **UHC-related Activities** - HRH Deployment, HFEP, Local Health Systems Development and Assistance, Pharmaceutical Management, Health Technology Assessment, Health Sector Research Development, Health Information Technology, HRH Institutional Capacity Management, Regulation of Health Facilities & Services; (ii) **Population-based Health Services** - Epidemiology & Surveillance, Health Emergency Preparedness & Response, Health Promotion; and (iii) **Primary Care Service Provision** - Public Health Management, Environmental and Occupational Health, Family Health, Immunization, Nutrition, and Responsible Parenting, and Prevention & Control of Communicable Diseases (which comprise Other Infectious Diseases, Elimination of Diseases such as Malaria, Schistosomiasis, and Filariasis, TB Control, and Rabies Control). This category covers activities which are directly related to the implementation of the Section 17 of the UHC Act which mandates the local health systems to establish minimum population-based health service components.

On the other hand, for Health Systems Resilience for Emerging Infectious Diseases/Pandemic related activities, a total of **PhP 13.03 billion** is programmed for the following budget line items: Operations of National Reference Laboratories, National Immunization, Prevention and Control of Infectious Diseases, Quick Response Fund, Operations of Blood Centers and National Voluntary Blood Services Program, Procurement and Supply Chain Management Service, and Foreign-Assisted Projects.

Table 5 shows the breakdown of budget line items under Priority 1 in the CY 2021 NEP. Some budget line items such as Prevention & Control of Infectious Diseases and National Immunization contribute to more than one sub-categories or priority areas.



Table 5. Summary of Major Activities under Priority 1, Amount in Billion PhP

P/A/P	2021 NEP	
	Amount	Major Activity
Priority 1A: UHC Act Implementation Related Proposals		
Human Resources for Health (HRH) Deployment ⁸	16.58	To strengthen the capacity of the primary health care workforce and to support national and local health systems through the deployment of 23,364 HRH (744 Doctors, 16,675 Nurses, 4,538 Midwives, 222 Dentists, 303 Pharmacists, 200 Nutritionist-Dietitians, 601 Medical Technologists, 81 Physical Therapists) and provision of 3,492 scholarship grants
Health Facilities Enhancement Program ⁹	4.78	To procure PhP 4.68 B various equipment for 1,633 health facilities (1,076 BHS, 250 RHUs, 1 Polyclinic, 236 LGU Hospitals, 70 DOH Hospitals); PhP 25 M for the procurement of 10 ambulances for 10 health facilities (9 RHUs and 1 LGU Hospital); and PhP 82 M for monitoring and evaluation of HFEP implementation activities
Local Health Systems Development and Assistance	0.35	To provide assistance to 58 UHC Integration Sites in the integration of their local health systems into Province-wide and City-wide Health Systems and provide technical assistance and capacity building to strengthen local health systems of all LGUs
Pharmaceutical Management	0.28	To procure essential medicines for Botika ng Bayan (BNB) and Bayani (BNBi)
Health Technology Assessment	0.006	To strengthen the establishment of the HTA Unit by providing for its operating expenses.
Health Sector Research Development	0.17	To conduct Health Policy and Systems Researches related to UHC Integration and develop Clinical Practice Guidelines (HTA and PhilHealth Benefit Package)
Health Information Technology	0.097	To defray salaries of job orders and office operations only. Note: This amount is inadequate to provide funding support for UHC and DOH-wide Information Systems such as full implementation of TeleHealth/TeleMedicine System, Automation Project for Quarantine Services, Enhancement Project for Health Emergency Management, Logistics Management and Videoconferencing needs to conform with the new normal, among others.
HRH Institutional Capacity Management	0.14	Provide training for internal staff and LGUs, local scholarship, and leadership and governance modules for Province- and City-Wide Health Systems

⁸ In the 2020 GAA, the appropriation for HRH Deployment is PhP 9.95B (7.5B PS, 2.45 MOOE) under this P/A/P and additional PhP 9.33B PS from Miscellaneous Personnel Benefit Fund (MPBF). The total is PhP 19.28B.

⁹ Exclusive of Unprogrammed Funds for HFEP Infra projects worth PhP 5.5 B from additional Sin Tax



P/A/P	2021 NEP	
	Amount	Major Activity
Regulation of Health Facilities and Services	0.08	To support ongoing regulatory and licensing activities at the Central Office. Note: This amount does not cover additional funding requirements for the expansion of UHC-related regulatory activities such as primary care licensing among others.
Epidemiology and Surveillance	0.11	To ongoing epidemiology and surveillance activities and defray salaries of existing job orders Note: This amount cannot cover for the salaries of 3,807 Public Health Associates for disease surveillance and funding support for the Global Adult Tobacco Survey (GATS)
Health Emergency Preparedness & Response	0.28	To provide capacity building and technical assistance on Disaster Risk Reduction and Management in Health (DRRM-H) to LGUs and to procure life-saving automated external defibrillator and WASH equipment for emergencies
Health Promotion	0.25	To support ongoing health promotion activities at the national and regional level Note: This amount is inadequate to cover for additional funding needs for the National Risk Communication and Community Engagement Plan in view of the decreased immunization rates brought by pandemic
Public Health Management	3.86	To implement the integrated public health programs at the national and regional level through policy development, technical assistance and trainings, health promotion, and research activities
Environmental and Occupational Health	0.002	To provide commodities for drinking water disinfection, water sampling, and chemical reagents
Family Health, Immunization, Nutrition & Responsible Parenting		
<i>National Immunization</i>	10.00	To provide vaccines for infants, adolescents, pregnant women and senior citizens <i>*Inclusive of PhP 2.5B for COVID-19 vaccines for priority target groups</i>
<i>Family Health, Nutrition, and Responsible Parenting</i>	2.19	To provide micronutrient supplementation and management of acute malnutrition to vulnerable population and family planning commodities to poor women of reproductive age



P/A/P	2021 NEP	
	Amount	Major Activity
Prevention and Control of Communicable Diseases		
<i>Elimination of Diseases</i>	0.32	To provide commodities to address diseases for elimination such as Malaria, Filariasis, Schistosomiasis, and Leprosy
<i>TB Control</i>	0.50	To provide commodities for the diagnosis, prevention, treatment, and control of Tuberculosis
<i>Prevention & Control of Infectious Diseases</i>	4.65	To provide commodities to diagnose, prevent, treat, and control other infectious diseases such as sexually transmitted diseases, HIV/AIDS, vector-borne diseases, food and waterborne diseases, and emerging and re-emerging infectious diseases <i>*Inclusive of PhP 2.67B for the procurement of Personal Protective Equipment (PPE) and PhP 1.03B for GeneXpert COVID-19 cartridges</i>
<i>Rabies Control</i>	0.51	To provide commodities to address animal bites
Sub-Total (Priority 1A)	38.96¹⁰	UHC Act Implementation Related Proposals
Priority 1B: Health System Resilience for Emerging Infectious Diseases/Pandemic		
Operation of National Reference Laboratories	0.29¹¹	To support ongoing operations of reference laboratories (pre-COVID). Note: Approved amount does not include additional funding requirements for the operations, laboratory consumables, and HRH augmentation for COVID-19 testing needs of the entire public laboratory network
National Immunization	2.50¹²	Procure COVID-19 vaccines for medical frontliners in public hospitals, DOH, BJMP, BuCor, DepEd, DSWD, uniformed personnel in PNP and AFP, and indigent senior citizens citizens
Prevention and Control of Other Infectious Diseases	3.70¹³	Procure PhP 2.67B PPEs and PhP 1.03B GeneXpert COVID-19 cartridges to improve access to COVID-19 testing using existing GeneXpert machines in the country also used to diagnose TB. Note: Amount is inadequate to procure PPEs for the entire year for recipient health facilities.

¹⁰ Net of PhP 2.5B for COVID-19 vaccine and PhP 3.70B for PPEs & GeneXpert COVID-19 cartridges

¹¹ Funding for infrastructure projects for Reference Laboratories is charged under the Foreign Assisted Projects

¹² Portion of the amount for COVID initiatives were lifted from the total NEP level in Priority 1A

¹³ Portion of the amount for COVID initiatives were lifted from the total NEP level in Priority 1A

P/A/P	2021 NEP	
	Amount	Major Activity
Foreign-Assisted Projects	5.26	Cover the loan proceeds of the World Bank and ADB loans for COVID-19 response projects in CY 2021
Quick Response Fund	0.50	Cover health emergency response activities and procure commodities and capital outlay projects
Operations of Blood Centers & National Voluntary Blood Services	0.29	Support 50% of ongoing operations of DOH national, regional, and subnational blood centers which is 50% of 2020 blood units for collection. Note: This approved NEP level is inadequate to sustain current operations of national, subnational and regional blood centers in addressing the convalescent plasma transfusion needs of critical COVID-19 patients.
Procurement and Supply Chain Management Service	0.49	Cover the warehousing, hauling, and brokerage expenses for the procurement of commodities and supply chain management services
Sub-Total (Priority 1B)	13.03	Health System Resilience for Emerging Infectious Diseases / Pandemic, e.g. COVID-19 Activities
Total (Priority 1)	51.99	

Allocation for UHC Integration Sites

Based on Sections 17 and 41 of the UHC Implementing Rules and Regulations as the guiding principle, the CY 2021 investments aim to support the local health systems integration initiatives of the 58 UHC Integration Sites.

Of the **PhP 38.96 B** allotted for UHC Implementation activities, **PhP 11.97 B or 31 percent** is allocated to support programs, projects, and activities for the 58 UHC Integration Sites. The budget line items with specific allocation for the 58 UHC Integration Sites comprise of HRH deployment, Local Health Systems Development and Assistance (LHSDA), and capital outlay funds under the Health Facilities Enhancement Program.

On top of this, the UHC Integration Sites also receive support from other DOH programs, projects, and activities dedicated for all LGUs such as the annual regular assistance for public health commodities amounting to **PhP 18.56 billion**, and technical assistance and capacity building for ongoing LHSDA activities amounting to **PhP 220 million** for all LGUs. All the other LGUs which are not part of the 58 UHC Integration Sites will likewise continue to receive funding support from DOH such as the HRH deployment program among others.



Table 6. Summary of P/A/Ps with Specific Allocation for UHC Integration Sites (MOOE & CO), in the 2021 NEP, Amount in Billion PhP

Particular	Amount	Major Activity
P/A/Ps with Specific Allocation for the 58 UHC Integration Sites		
HRH Deployment	9.75	Deployment of all cadres in UHC IS
Local Health Systems Development and Assistance (Expanded)	0.12	Expansion of various LHSDA activities to support the Integration of Local Health Systems into Province- and City-Wide Health Systems of UHC IS
Capital Outlay for UHC IS	2.11	Includes procurement of equipment and ambulances for BHS, RHU, Polyclinics, DOH Hospitals, LGU Hospitals of UHC IS
Total	11.97	

Priority No. 2: Other Health Law-related Activities

Under Priority 2, a total of **PhP 29.29 billion** is allocated for budget line items which are affected by other health laws such as the Mental Health Act, Cancer Law, Malasakit Act, and re-nationalization of hospitals.

Table 7. Summary of Major Activities under Priority 2, Amount in Billion PhP

P/A/P	2021 NEP	
	Amount	Major Activity
Prevention and Control of Non-Communicable Diseases	0.37	To provide commodities for the prevention, treatment, and control of Hypertension, Diabetes, Cancer, and Mental Health conditions
Medical Assistance for Indigent Patients	17.31	To provide funding support for the implementation of medical assistance for indigent patients either inpatient or outpatient
Operation of DOH Hospitals in Metro Manila (MOOE and CO only)	2.48	To subsidize and augment the operations of Metro Manila specialty hospitals for patient management
Operation of DOH Regional Hospitals and Other Health Facilities (MOOE and CO only)	9.13	To subsidize and augment the operations of DOH-retained Regional Hospitals for patient management
Total (Priority 2)	29.29	



Priority No. 3: Urgent and Compelling Need

For Priority 3, a total of **PhP 1.28 billion** is allocated for budget line items whose implementation have an urgent and compelling need.

Table 8. Summary of Major Activities (MOOE & CO) under Priority 3, Amount in Billion PhP

P/A/P	2021 NEP	
	Amount	Major Activity
Priority 3. Urgent and Compelling Need		
Operation of Dangerous Drug Abuse Treatment and Rehabilitation Centers	1.28	To provide for the operating expenses of 14 existing DOH Drug Abuse Treatment Rehabilitation Centers (DATRCs), 7 newly operationalized DATRCs, and 1 new DATRC in Bauko, Mountain Province
Total (Priority 3)	1.28	

Special Accounts in the General Fund (SAGF)

A total of **PhP 608.78 million** is programmed under the Bureau of Quarantine (BOQ) and Food and Drug Administration (FDA) to be charged to the Special Account in the General Fund.

Table 9. Summary of Major Activities of NEP 2021 charged to SAGF, Amount in Billion PhP

P/A/P	2021 NEP	
	Amount	Major Activity
Provision of Quarantine Services and International Health Surveillance	0.09	To provide for ongoing operations of the Bureau of Quarantine and its Quarantine Stations to ensure security against infectious diseases, emerging diseases, and public health emergencies of international concern.
Regulation of Health Establishments and Products	0.52	To provide for ongoing operations of FDA Central Office, 4 FDA laboratories, and FDA Regional Offices to ensure safety, efficacy, and quality and health products
TOTAL	0.61	



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