

**SENATE**

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**P.S.R. No. 1078**

RECEIVED BY: 

**INTRODUCED BY SENATOR RISA HONTIVEROS**

**RESOLUTION**

**DIRECTING THE SENATE COMMITTEES ON FINANCE AND ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS (BLUE RIBBON) TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE IRREGULARITIES OF FUND TRANSFERS/RETURNS OF GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS (GOCC), INCLUDING PHILHEALTH, TO THE NATIONAL GOVERNMENT**

**WHEREAS**, Republic Act 11223, or the Universal Healthcare (UHC) Act, aims to "ensure that all Filipinos are guaranteed equitable access to quality and affordable healthcare goods and services, and protected against financial risk" (Sec. 3b, RA 11223);

**WHEREAS**, PhilHealth, as part of its funding mechanism, is authorized to collect contributions, receive government subsidies, establish its reserve funds, and engage in investment operations (Sec. 11, RA 11223)

**WHEREAS**, to date, PhilHealth reportedly, at the end of the fiscal year 2023, has a reserve fund amounting to PhP 463.7B and accumulated unused funds from government subsidy amounting to PhP 89.9B;

**WHEREAS**, under the UHC Act, given the said fund accumulation, PhilHealth is mandated to use such funds to increase program benefits (Sec. 10, RA 11223) and/or decrease the amount of members contributions (Sec. 11, RA 11223);

**WHEREAS**, the UHC Act also stipulates that "no portion of the reserve fund or income thereof shall accrue to the general fund of the National Government or any of its agencies or instrumentalities, including government-owned or -controlled corporations (Sec. 11, RA 11223);

**WHEREAS**, the Department of Finance (DOF), issued a circular, numbered 003-2024, to enable the collection from surplus/excess funds of government-owned or controlled corporations (GOCCs), including PhilHealth, "so that these (funds) are mobilized and utilized to gain the maximum benefit and high multiplier effects for the economy";

**WHEREAS**, on 10 July 2024, in a news report, PhilHealth, through its Vice President for Corporation Affairs, Rey Baleña, confirmed that PhilHealth's Board of Directors approved the return/transfer of its excess funds from the "unused portion of the national government subsidy released to PhilHealth through the GAA as contributions of indirect contributors";


**WHEREAS**, health reform advocates and economists (Sta. Ana III, Punongbayan, Magno, Leachon, et. al), on different platforms, raised alarming concerns on the issuance of the DOF Circular, and the compliance of PhilHealth, as it allegedly violates several laws—i.e. UHC Act (RA 11223), Sin Tax Law (RA 10351), TRAIN Law (RA 10963), etc.—and potentially compromised the realization of the universal healthcare for all;

**WHEREAS**, PhilHealth's action to return its unused funds reflects its leadership and management's inability, including DOF as an ex-officio member of the Board, to fulfill their mandates to provide sufficient financial protection and accelerated benefit payments for its members, and it raises serious questions on their credibility to uphold "the rights and interests of every Filipino to quality, accessible, and affordable healthcare", (Sec. 42, RA 11223) to which the agency is duty bound as one of the implementers of the UHC Act;

**WHEREAS**, the DOF Circular, issued on the basis of a special provision of the 2024 General Appropriation Act (GAA), creates serious policy implications on the current and future funding/financing mechanisms, not only of PhilHealth, but also of other GOCCs, specially those considered as social security institutions.

**NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED TO DIRECT THE COMMITTEES ON FINANCE AND ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS (BLUE RIBBON) TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE IRREGULARITIES OF FUND TRANSFERS/RETURNS OF GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS (GOCC), INCLUDING PHILHEALTH, TO THE NATIONAL GOVERNMENT, AND TO DETERMINE THE EXTENT OF ACCOUNTABILITY OF THE AGENCIES AND OFFICIALS INVOLVED.**

Adopted.

  
**RISA HONTIVEROS**  
*Senator*