



**DEPARTMENT OF BUDGET AND MANAGEMENT  
DEPARTMENT OF FINANCE  
DEPARTMENT OF HEALTH  
PHILIPPINE AMUSEMENT AND GAMING CORPORATION  
PHILIPPINE CHARITY SWEEPSTAKES OFFICE  
PHILIPPINE HEALTH INSURANCE CORPORATION**

**Joint Circular No. 0001 s. 2022**

- TO : Heads of Departments, Concerned Bureaus and Offices of the Following National Government Agencies: Department of Budget and Management, Department of Finance, Department of Health including the following Government Owned and Control Corporations: Philippine Amusement and Gaming Corporation, Philippine Charity Sweepstakes Office, and Philippine Health Insurance Corporation and All Others Concerned**
- SUBJECT : GUIDELINES ON THE OPERATIONALIZATION OF THE ALLOCATIONS/APPROPRIATIONS FOR REPUBLIC ACT NO. 11223 OTHERWISE KNOWN AS THE "UNIVERSAL HEALTH CARE ACT"**

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**1. RATIONALE**

1.1. Republic Act No. 11223 dated February 20, 2019 or "The Universal Health Care (UHC) Act" seeks to ensure that all Filipinos are guaranteed equitable access to quality and affordable health care goods and services, and protected against financial risk.

1.2. Section 37 of the UHC Act specifies the appropriations measures to implement its provisions, to wit:

"SEC. 37. Appropriations. – The amount necessary to implement this Act shall be sourced from the following:

- (a) Total incremental sin tax collections as provided for in RA 10351, otherwise known as the "Sin Tax Reform Law"; *Provided*, That the mandated earmarks as provided for in Republic Act Nos. 7171 and 8240 shall be retained;
- (b) Fifty percent (50%) of the National Government share from the income of the Philippine Amusement and Gaming Corporation (PAGCOR), as provided for in Presidential Decree No. 1869, as amended: *Provided*, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual budgeting, accounting and auditing

rules and regulations; *Provided, further*, That the funds shall be used by PhilHealth to improve its benefit packages;

- (c) Forty percent (40%) of the Charity Fund, net of Documentary Stamp Tax Payments, and mandatory contributions of the Philippine Charity Sweepstakes Office (PCSO), as provided for in Republic Act No. 1169, as amended: *Provided*, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual budgeting, accounting, and auditing rules and regulations: *Provided, further*, That the funds shall be used by PhilHealth to improve its benefit packages;
- (d) Premium contributions of members;
- (e) Annual appropriations of the DOH included in the GAA; and,
- (f) National government subsidy to PhilHealth included in the GAA.

The amount necessary to implement the provisions of this Act shall be included in the GAA and shall be appropriated under the DOH and national government subsidy to PhilHealth. In addition, the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act.”

This Joint Circular is to implement and operationalize the efficient and sustainable funding from PCSO, PAGCOR and national government to PhilHealth’s individual based services under the Universal Health Care Program pursuant to Rule IX, Section 37.2, in relation to Section 37.3 of the IRR of RA 11223.

## 2. PURPOSE

- 2.1. To prescribe the guidelines on the remittance and certification of funds for UHC Act implementation;
- 2.2. To provide the rules and regulations for the release or transfer of funds pursuant to the UHC Act and in accordance with budgeting, accounting and auditing rules and regulations; and,
- 2.3. To specify the documentary and reporting requirements for the receipt of funds and its utilization.

## 3. SCOPE

This Joint Circular shall apply to the following agencies including their instrumentalities, as needed: Department of Finance (DOF) and its bureaus, namely, Bureau of Internal Revenue (BIR), Bureau of Customs (BOC) and Bureau of Treasury (BTr); Department of Budget and Management (DBM); Department of Health (DOH); Philippine Amusement and Gaming Corporation (PAGCOR); Philippine Charity Sweepstakes Office (PCSO); and, Philippine Health Insurance Corporation (PhilHealth).

## 4. DEFINITION OF TERMS – As used in this Circular:

- 1. **Corporate Budget Proposal** - is a proposed funding estimates for a given fiscal period, prepared by Government-Owned-or-Controlled Corporations consistent with the annual corporate budget calls, and submitted to the DBM for evaluation.



2. **Financial and Physical Performance** – these are agencies performance measured based on agreed indicators, submitted to DBM and other oversight agencies through the Budget Accountability Reports. The Physical Report of Operations presents the physical accomplishment (Target vs Actual) and the utilization of funds relative to the attainment of the physical targets. The Financial Reports presents the financial performance of the agencies wherein the Budget Utilization Rates (BUR) are derived which includes the following: Allotment vs Appropriation, Obligation vs Allotment and Disbursement vs Obligation rates.
3. **General Appropriations Act (GAA)**- is a legislative authorization that contains the new appropriations authorized by Congress in terms of specific amounts for salaries, wages and other personnel benefits; MOOE; and CO authorized to be spent for implementation of programs, activities and projects (P/A/Ps) of all departments, bureaus and offices of government for a given year.
4. **Benefits Package**- is a bundle of individual-based health services that can be accessed within a health facility or remotely for the effective delivery and promotion of quality health care.
5. **Improvement of Benefit Packages**– is an approach to refine, augment, or enhance benefits packages for greater financial risk protection, expansion of target beneficiaries or covered members, updates in standards of care, or adjustment of package rates, change in engagement of providers and increasing access to the packages.
6. **Individual Medical Assistance Program (IMAP)** - is the flagship PCSO institutional charity program for health and medical needs thru the issuance of guarantee letter (GL) to partner hospitals to aid in the cost of their medicines, chemo drugs, dialysis solutions and other medical needs. Introduced in 1995, IMAP was later expanded by providing a one-stop shop Help-Desk called “At-Source Ang Processing” (ASAP) to make PCSO closer to its betting public and indigent clientele nationwide.
7. **Medium Term Expenditure Program (MTEP)** - is a planning-budgeting framework of the government which provides a medium term three-year perspective to decision making process during budget preparation.
8. **National Budget Proposal** - is a proposed funding estimates for a given fiscal period, prepared by National Government Agencies consistent with the annual national budget calls, and submitted to the DBM for evaluation.
9. **National Expenditure Programming** - is the budget proposal submitted by the President to Congress in accordance with Section 22, Article VII of the 1987 Philippine Constitution, serving as the basis of the General Appropriations Bill, which upon enactment becomes the GAA.
10. **National Health Insurance Program** – is the program that aims to provide health insurance coverage and ensures access to cost-effective and quality health care services for all Filipinos.
11. **Notice of Cash Allocation (NCA)** – is a cash authority issued by the DBM to the account of agencies/operating units through the authorized Modified Disbursement System -Government Servicing Banks (MDS-GSBs), to cover the cash requirements of the agencies.
12. **Special Allotment Release Order (SARO)** - is a specific authority issued to identified agencies to incur obligations not exceeding a given amount during a specified period for the purpose indicated. It shall cover expenditures the release of

which is subject to compliance with specific laws or regulations, or is subject to separate approval or clearance by competent authority.

## 5. GUIDELINES

### 5.1 Remittance and certification of revenue earmarked for health and social services.

- 5.1.1 The total excise tax collections from sin products shall be certified by the BIR and BOC and submitted to DBM for the computation of the allocations for health as provided for in Republic Act 10351, otherwise known as the "Sin Tax Reform Law", repealed by Republic Act 11346, otherwise known as the "Tobacco Tax Law of 2019", and further repealed by Republic Act 11467, otherwise known as the "New Sin Tax Reform Law", subject to the usual budgeting, accounting and auditing rules and regulations;
- 5.1.2 The PAGCOR shall remit fifty percent (50%) of the national share of its gaming revenue to the National Government as provided for in Presidential Decree no. 1869 (Consolidating and Amending Presidential Decree Nos. 1067- A, 1067-B, 1067-C, 1399 and 1632, Relative to the Franchise and Powers of the Philippine Amusement and Gaming Corporation (PAGCOR) to the Bureau of Treasury (BTr) every 20th day of the month, subject to the usual budgeting, accounting and auditing rules and regulations; *Provided further*, That if the 20th day falls on a holiday or weekend, the remittance will be on the next working day; *Provided furthermore*, that the funds for the purpose shall be used exclusively for the improvement of benefit packages under PhilHealth's National Health Insurance Program (NHIP) and PAGCOR shall be consulted in the preparation of its Medium Term Expenditure Program (MTEP) plan;
- 5.1.3 The PCSO shall remit forty percent (40%) of its Charity Fund, net of Documentary Stamp Tax Payments, and mandatory contributions to the Bureau of Treasury (BTr) on a quarterly basis every 20th day of the month following the end of each quarter pursuant to Republic Act No. 1169 (An Act Providing for Charity Sweepstakes Horse Races and Lotteries), as amended by Presidential Decree No. 1157 and Batas Pambansa Blg. 42, subject to the usual budgeting, accounting and auditing rules and regulations; *Provided*, That if the 20th day falls on a holiday or weekend, the remittance will be on the next working day; *Provided further*, That in the first two (2) years from the effectivity of the UHC Act, PCSO shall remit only fifty percent (50%) of the 40% net Charity Fund to enable the PCSO to conclude and liquidate its Individual Medical Assistance Program At-Source-ang Processing (IMAP-ASAP) obligations pursuant to Section 41 (j), Republic Act No. 11223; *Provided furthermore*, That the funds for the purpose shall be used exclusively for the improvement of benefit packages under PhilHealth's NHIP and PCSO shall be consulted in the preparation of its MTEP plan; *Provided further still*, That PhilHealth shall submit sex disaggregated data pursuant to Section 37.1.c, Implementing Rules and Regulations of Republic Act No. 11223 to attribute PCSO's fund pool (subsidy) to the NHIP as part of said agency's Gender Equality, Diversity, and Social Inclusion (GEDSI) program, within ten (10) calendar days from the end of each quarter before any fund release to the BTr subject to applicable rules and regulations of RA 9710 (Magna Carta of Women);

- 5.1.4 The releases from PCSO and PAGCOR fund pool (UHC Subsidy) thru the BTR shall be treated by PhilHealth as a special purpose fund to be used exclusively for benefits improvement under the NHIP, such that, no portion therefrom shall be used by PhilHealth for any administrative expenses or for purposes other than those stated in and consistent with Section 37 (b) and (c) of RA 11223, subject to applicable budgeting, accounting and auditing rules and regulations;
- 5.1.5 The DOH, in coordination with DBM, DOF, PAGCOR, and PCSO shall prepare Annual and quarterly Annual rolling projection based on medium-term rolling projection of revenue program for health, subject to applicable accounting and auditing rules and regulations.
- 5.1.6 The DOF and its attached agencies namely, the BTr, BIR and BOC, in coordination with PAGCOR and PCSO, shall issue to the DBM, DOH and PhilHealth, the following documents based on the timeline stated herein:
- i. BTr's annual and quarterly Certification on the actual remittances from PAGCOR and PCSO to the BTr with specified earmarking for PhilHealth at the end of the first quarter of the current fiscal year and on the second month following the end of each quarter of the current fiscal year, respectively; and
  - ii. Annual certifications from BIR and BOC of the actual excise tax collections from sin products for the year immediately preceding the current year which shall be submitted to DBM by April 30 every year for the computation of allocations for health for the following fiscal year as stipulated in RA 11346 and RA 11467.

## 5.2 Investment Programming and Budget Preparation

- 5.2.1 Subject to consultations with PCSO and PAGCOR, PhilHealth shall develop and submit to the DOH a three-year rolling MTEP for benefits improvement under the NHIP;
- 5.2.2 PhilHealth's MTEP shall be submitted to DOH based on parameters, and assumptions discussed with the inter-agency Development Budget Coordination Committee - Executive Technical Board (DBCC-ETB), with the DBM as Secretariat, copy furnished PCSO and PAGCOR. The MTEP shall be subject to the approval of the DBCC. This expenditure program shall be submitted by DOH and PhilHealth to the DBM as part of the budget proposals in accordance with the budget calendar specified in the annual national and corporate budget calls as reference for expenditure programming;
- 5.2.3 The DOH, including PhilHealth, shall develop its annual national (DOH) and corporate (PhilHealth) budget proposals highlighting allocations for the implementation of the UHC Act and following the guidelines indicated in the annual national and corporate budget calls issued by the DBM, specifically:
- i. The DOH- Office of the Secretary shall endorse the budget proposal for the following:

- a. Human Resources for Health deployment programs;
  - b. Health Facilities Enhancement Program;
  - c. Medical Assistance Program;
  - d. Population-based interventions; and,
  - e. Other specific requirements indicated by the UHC Act.
- ii. The PhilHealth Board of Directors through the Executive Committee (ExeCom), shall endorse the budget proposals of the following as national government subsidy to the PhilHealth:
- a. Premium subsidy for indirect contributory members funded from the allocations for health from sin tax collections as provided for in Section 37 (a); and,
  - b. Subsidy for the improvement of benefit packages as provided for in Section 37 (b) and (c) of the UHC Act.

5.2.4 The DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestone of the UHC Act.

### 5.3 Expenditure Programming

5.3.1 The DBM shall provide the DOH and PhilHealth the appropriate budget levels taking into consideration their financial and physical performance, in accordance with existing laws, budgeting rules and regulations which will be used by DOH and PhilHealth in the budget preparation.

### 5.4 Implementation and Monitoring

5.4.1 The DBM shall issue the Special Allotment Order and Notice of Cash Allocation (NCA) for the purpose subject to the existing budgetary procedures for the release of subsidy to the PhilHealth chargeable against the Budgetary Support to Government Corporations and shall be made thru BTr;

5.4.2 The DOH and PhilHealth shall separately implement the funded programs, activities and projects indicated in the GAA;

5.4.3 The DOH and PhilHealth shall separately report to the DBM their quarterly physical and financial performance based on commitments indicated in the GAA using the Unified Reporting System (URS) or its equivalent under the Budget and Treasury Management System (BTMS);

5.4.4 The DOH and PhilHealth shall separately publish and disseminate annual reports on the allocation and uses of the amounts provided for the implementation of the UHC Act through their respective official websites;

5.4.5 The DOH and PhilHealth shall separately submit a detailed report on the expenditures of the amounts earmarked for UHC to the Congressional Oversight Committee on the first week of August of every year, as stipulated in RA 11467; and

5.4.6 PhilHealth shall submit a detailed report to PAGCOR and PCSO on the amounts released by DBM together with the utilization within ten (10) days upon submission of its Financial Statements (FS) of the preceding year to the Commission on Audit. (e.g. FS for CY2022 submitted to COA on March 31, 2023; *Provided*, That PhilHealth shall furnish a report of the allocations received and utilization to PAGCOR & PCSO on or before April 15, 2023).

## 6 TRANSITORY PROVISIONS OF THE PAGCOR AND PCSO FUND POOL

6.1 The BTR shall issue a certification on the amount remitted by PAGCOR for 2019-2021 representing Fifty percent (50%) of the national government share from the income of the Philippine Amusement and Gaming Corporation (PAGCOR) as provided for in Presidential Decree No. 1869, as amended;

6.2 The accumulated PCSO fund from 2019-2021 shall be remitted to the BTR within sixty (60) calendar days upon the effectivity of this Circular:

- a. Within fifteen (15) calendar days from the effectivity of this Circular PhilHealth shall submit to PCSO a report on:
  - i. Baseline NHIP sex-disaggregated data for CY 2019-2021
  - ii. PhilHealth proposed MTEP for benefit Improvement under National Health Insurance Program utilizing PCSO Funds for CY 2023-2025 for PCSO comments
- b. On or before sixty (60) calendar days from the effectivity of this Circular, PhilHealth shall furnish PCSO with its Board-Approved MTEP;
- c. On or before sixty (60) calendar days from the effectivity of this Circular, PCSO shall remit to the BTR its UHC fund pool CY 2019-2021, subject to applicable accounting and auditing laws, rules and regulations.

6.3 The DOF thru BTR shall issue a Certification within 10 working days based on the timeline stated above, copy furnish the DOH and PhilHealth to be used in preparation of budget programming and budget proposal for the implementation of the UHC Act.

## 7 REPEALING CLAUSE

All provisions of existing issuances of involved government agencies that are inconsistent with this Joint Circular are hereby repealed/amended accordingly.



**8 SEPARABILITY CLAUSE**

If any part or provision of this Joint Circular is declared invalid or unconstitutional in any jurisdiction, the remaining parts or provisions not affected thereby shall remain in full force and effect.

**9 EFFECTIVITY**

This Joint Circular shall be published in the Official Gazette or a newspaper of general circulation and take effect 15 days thereafter.

May 30, 2022 at Pasig City, Metro Manila, Philippines.

 	 
<hr/> <b>TINA ROSE MARIE L. CANDA</b> OIC-Secretary Department of Budget and Management	<hr/> <b>CARLOS G. DOMINGUEZ</b> Secretary Department of Finance
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<hr/> <b>FRANCISCO T. DUQUE III</b> Secretary Department of Health	<hr/> <b>DANTE A. GIERRAN</b> President and CEO Philippine Health Insurance Corporation
	
<hr/> <b>ANDREA D. DOMINGO</b> Chairman and CEO Philippine Amusement and Gaming Corporation	<hr/> <b>ANSELMO SIMEON P. PINILI</b> Chairperson Philippine Charity Sweepstakes Office