



# Committee Daily Bulletin

18<sup>th</sup> Congress  
Third Regular Session

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## COMMITTEE MEETINGS ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
<b>Banks and Financial Intermediaries</b>	Draft Substitute Bill to HB 9615	Rep. Cua	Regulating the use of bank accounts and e-wallets, and other financial accounts	<p>The Committee, chaired by Quirino Rep. Junie Cua, will deliberate further on the draft substitute bill to House Bill 9615.</p> <p>Rep. Cua, who is also the author of HB 9615, said the bill is relevant to the needs of the times, especially during this pandemic, when financial transactions are now mostly being conducted in the digital space. He underscored the need to regulate the use of bank accounts, e-wallets, and other financial accounts to prevent cybercriminals from using these accounts to receive or transfer proceeds derived from any suspicious or criminal activity.</p> <p>Bankers Association of the Philippines (BAP) representative Dennis Bancod presented the current cybercrime landscape in the Philippine financial sector. He said the increasing digital adoption driven by digital transformation, applications, and the remote work ecosystem during this pandemic, also increased the risks in financial transactions. He stated that based on a 2019 report of Kaspersky, a top international anti-cybercrime company, the Philippines is considered 4<sup>th</sup> among countries in the world with the highest number of detected online threats. He also disclosed that “threat actors” or hackers continue to increase in the country and have also evolved from being lone recluses to teams with cross-functional capabilities that operate cohesively and with structure just like any legitimate business.</p> <p>According to Bancod, the enactment into of law of HB 9615 will ensure the apprehension and prosecution of these threat actors.</p> <p>Bank of the Philippine Islands Assistant Vice President Christine Lovely Red concurred that the proposed law would address the proliferation of various forms of cybercrimes involving online financial transactions.</p> <p>Rep. Virgilio Lacson (Party-List, TEACHERS) asked how threat actors, who commit cybercrimes in the country but are residing abroad, will be apprehended under the proposed law. Bancod answered that only their local accomplices can be prosecuted and punished through the suspension of their accounts and other forms of penalties under the proposed law.</p>

<p>Continuation... Banks and Financial Intermediaries</p>				<p>Committee Secretary Richard Leo Baldeueza apprised the body that prior to this meeting, a small technical working group (TWG), formed upon the instruction of the Chair, already held initial discussions on HB 9615 and integrated the recommendations of the stakeholders, and later came up with a draft substitute bill. The TWG was led by the Bangko Sentral ng Pilipinas (BSP) and participated in by the BAP and the Department of Justice (DOJ).</p> <p>BSP Director for Technology Risk and Innovation Supervision Department Melchor Plabasan presented the key features of the draft substitute bill, which the Committee proceeded to discuss section by section.</p> <p>The Committee adopted the definition of the following important terms in the draft substitute bill:</p> <ul style="list-style-type: none"> <li>• E-wallet – refers to a software or application which allows the user to pay for transactions made online through a computer or a smart phone;</li> <li>• Other financial accounts – refers to new or emerging forms of financial accounts other than bank accounts and e-wallets;</li> <li>• Social engineering scheme – when a person makes any communication to another person disguising as a trusted person or a representative of a trusted person or financial institution, with an intent to defraud, injure or induce or request any person to provide sensitive identifying information;</li> <li>• Suspicious activity – refers to any transaction regardless of amount, that is related to an unlawful activity, social engineering scheme or cybercrime about to be committed;</li> <li>• Money mule – refers to any person who obtains, receives, acquires or transfers or withdraws money, funds, or proceeds derived from a suspicious activity, social engineering schemes or other crimes/offenses committed through the use of information and communication technology;</li> <li>• Mass mailer or bulk email – refers to a service or software used to send electronic mail in mass or to 50 or more emails;</li> <li>• Economic sabotage – when the prohibited acts of the proposed law were committed either in large scale or by a syndicate or using a mass mailer or bulk email to reach the maximum number of victims.</li> </ul> <p>The Committee also adopted the proposal on the creation of a Congressional Oversight Committee to monitor and oversee the</p>
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Continuation... Banks and Financial Intermediaries				<p>implementation of the proposed law. It also agreed with the suggestion of the BSP and DOJ that the penalty for social engineering scheme should be higher than the penalty for money mules.</p> <p>As for the appropriation provision of the proposed law, Rep. Cua recommended that the Philippine National Police and the National Bureau of Investigation should first be consulted about the funding since they will mostly be in charge of the enforcement aspect through the conduct of investigations and tracking of suspected threat actors, among others. He also proposed the inclusion in the bill of a provision establishing a cooperative mechanism among covered agencies or institutions which will be tasked to formulate the Anti-Scam or Financial Fraud Roadmap. Further, Rep. Cua asked the stakeholders to submit their position on the proposal to create a central body that will harmonize the programs and policies of covered agencies under the proposed law.</p> <p>To better enforce the proposed law, Plabasan pointed out that it is crucial to identify the owner of a bank account that is involved in cybercrimes or unlawful activities. He said due to the Bank Secrecy Law, banks are prevented from divulging the identity of the owner of such bank account. Thus, authorities could not file proper cases in court against the perpetrators because of this limitation.</p> <p>Rep. Cua said amending the Bank Secrecy Law will be a difficult undertaking as it will require a longer period of deliberation. He asked the stakeholders, together with the BSP, to study other means of strengthening the enforcement aspect of the proposed law without amending the Bank Secrecy Law.</p> <p>Plabasan replied that the BSP will reconvene the small TWG to discuss the matter and come up with recommendations.</p>
<b>Health</b>	HR 1966	Rep. Tan (A.)	Inquiry into the apparent confusion brought about by the issuances of the Philippine Health Insurance Corporation (PhilHealth) on the availment of COVID-19 related benefit packages which may seriously affect public health service delivery and response to the COVID-19 pandemic	<p>The Committee, chaired by Rep. Angelina "Helen" Tan, M.D. (4<sup>th</sup> District, Quezon), adopted House Resolution 1966.</p> <p>Rep. Estrellita Suansing (1<sup>st</sup> District, Nueva Ecija) presided over the meeting to allow the Chairperson to sponsor HR 1966 as its author.</p> <p>Rep. Tan said that there is a need to hear out the clamor of hospitals and even PhilHealth regional offices for the PhilHealth central office to clarify its issuances relative to the availment of COVID-19 benefit packages.</p> <p>Based on HR 1966, PhilHealth Circular No. 2020-009, which was issued on April 9, 2020, provided for PhilHealth benefit packages for both "probable and confirmed COVID-19 cases." It authorized the coverage of in-patient</p>

Continuation... Health				<p>care for probable and confirmed cases developing severe illness or outcome in the amount ranging from P43,997 (mild pneumonia) to P786,384 (critical pneumonia).</p> <p>However, PhilHealth issued on June 17, 2021 another circular, Circular 2021-008, which provides that only confirmed COVID-19 cases, based on RT-PCR (reverse transcription polymerase chain reaction) test result, shall be covered by the existing In-Patient COVID-19 Package of PhilHealth. Likewise, the circular provides that a patient initially managed as COVID-19 but with negative swab test result earlier described as “probable cases” shall be entitled to a reimbursement “with an intermediate package ranging from P18,000 to P38,000 to be applied retroactively for admissions starting November 26, 2020.”</p> <p>Health Secretary Francisco Duque III mentioned that PhilHealth has provided adequate support in strengthening the delivery of critical treatment and medical care to COVID-19 patients through the following benefit packages: RT-PCR testing, community and facility-based isolation, in-patient care, and financial assistance for those who suffered from adverse effects of COVID-19 vaccination.</p> <p>PhilHealth President and Chief Executive Officer Dante Gierran apologized for the confusion created by the PhilHealth issuances. He, however, pointed out that the COVID-19 disease is quite novel and so the treatment of the disease continuously change. Correspondingly, he said, PhiHealth also has to constantly update its healthcare policies to respond better to the medical needs of the people. He manifested that PhilHealth will accede to whatever the Committee will recommend to improve the agency’s programs and services under the National Action Plan for COVID-19.</p> <p>PhilHealth’s Health Finance Policy Sector Acting Senior Vice President Clementine Bautista explained that the issuance of PhilHealth Circular 2021-008 resulted from the legislative inquiries held by the House Committee on Good Government and Public Accountability as well as its Senate counterpart committee, which recommended the removal of the policy coverage for suspect and probable COVID-19 cases.</p> <p>Philippine Hospital Association President Dr. Jaime Almora apprised the Committee of the status of claims of government, private, and international hospitals with PhilHealth covering the period January 2020 to June 2021. Almora said that the total benefit claims amount to more than P252 billion involving about 17.8 million patients. He disclosed that about P86.08 billion is currently the subject of either delayed and denied claims. The unpaid claims</p>
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Continuation... Health				<p>or late payment of claims have adversely affected the hospitals' operations, as well as planned increases in the salaries and incentives of healthcare personnel and the procurement of COVID-19 related equipment such as ventilators, vital sign monitors, oxygen generators, and personal protective equipment.</p> <p>After a thorough discussion, the Committee urged PhilHealth to rectify the apparent mistake in the issued circulars regarding COVID-19 benefit packages; review the soundness of the issuances to ensure just and fair policies that will benefit the Filipino people; and expedite its action on the concerns raised in HR 1966.</p> <p>Gierran committed to take up the matter in the PhilHealth Board meeting scheduled on August 25.</p> <p>The Chair directed PhilHealth to submit to the Committee a copy of the new resolution that will be adopted in the upcoming Board meeting.</p>
<b>Population and Family Relations</b>	Substitute Bill to HBs 100, 838 & 2263	Reps. Lagman, Brosas, and Alvarez (P.)	Reinstating absolute divorce as an alternative mode for the dissolution of marriage	<p>The Committee, chaired by Guimaras Rep. Ma. Lucille Nava, M.D., approved the substitute bill, subject to style. The corresponding Committee Report was likewise approved.</p> <p>Rep. Nava gave a quick recap on the actions undertaken by the Committee relative to the proposed law. She said that on February 5, the Committee held its initial deliberation on House Bills 100, 838 and 2263, during which a technical working group (TWG) was created to come up with a substitute bill. During the TWG meetings, the inputs and recommendations of the resource persons were sought and considered to come up with a bill that will be acceptable to the stakeholders, Rep. Nava further said.</p> <p>Rep. Edcel Lagman (1<sup>st</sup> District, Albay), author of HB 100 and head of the TWG that crafted the substitute bill, presented the salient features of the proposed law. He said that the substitute bill reinstates absolute divorce, which was practiced even during the pre-Hispanic times, the American colonial period, and the Japanese occupation. The bill also states that it is a declared policy of the State to give spouses an opportunity to secure an absolute divorce as an alternative mode for dissolution of irreparably broken marriage under limited grounds and well-defined procedures.</p> <p>According to Rep. Lagman, the grounds for the dissolution of marriage under the proposed law include the following:</p> <ul style="list-style-type: none"> <li>• If spouses are separated for at least five years at the time the petition for</li> </ul>

<p>Continuation... Population and Family Relations</p>				<p>absolute divorce is filed and reconciliation is highly improbable;</p> <ul style="list-style-type: none"> <li>• If one of the spouses has been proven to have psychological incapacity;</li> <li>• If one of the spouses transitions from one sex to another;</li> <li>• If irreconcilable marital differences or other forms of domestic or marital abuse exist;</li> <li>• When a divorce is secured abroad by either a foreigner or Filipino spouse; and</li> <li>• When a marriage is nullified or dissolved by a proper canonical tribunal of the Roman Catholic Church or other recognized religious denominations.</li> </ul> <p>The grounds for legal separation and annulment are likewise provided for under the substitute bill.</p> <p>Rep. Arlene Brosas (Party-List, GABRIELA), author of HB 838, underscored the importance of enacting the proposed law to give spouses, especially wives, an alternative mode to leave a “toxic” and abusive marital relationship. She lamented that for many Filipino women, finding an escape from an abusive husband is not an easy option. Without an accessible and affordable option to separate from an abusive husband, some women are left with no choice but to stay in the relationship and bear the violence that they are experiencing. Hence, Rep. Brosas said that the Gabriela Party-List has been consistent in pushing for the reinstatement of absolute divorce as a rights-based option for majority of Filipinos.</p> <p>Rep. Lagman said that there are pending bills in the Committee which seek to recognize in the Philippines a divorce secured abroad by either a foreigner or Filipino spouse. He said that the authors of these bills may opt to integrate these with the substitute bill.</p> <p>Deputy Speaker Rufus Rodriguez (2<sup>nd</sup> District, Cagayan de Oro City) stated that he has two bills, HBs 8673 and 8742, pending with the Committee, which seek to recognize foreign decree of dissolution of marriage in the country. However, he manifested that he is not in favor of integrating his bills with the substitute bill. He added that he would rather have his bills taken up by the Committee separately.</p> <p>House Bill 8673 seeks to recognize the capacity of the Filipino spouse to remarry when either spouse has obtained a foreign judicial decree of absolute divorce; while HB 8742 seeks to allow the foreign decree of dissolution of marriage to be registered with the Philippine Civil Registry even in the absence of a judicial recognition.</p>
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Continuation... Population and Family Relations				On the other hand, Rep. Ma. Lourdes Acosta-Alba (1 <sup>st</sup> District, Bukidnon) said that she is amenable to integrate her bill with the substitute bill. Rep. Acosta-Alba said that her bill seeks to authorize the city or municipal registrar to update in the civil registry the civil status of a Filipino spouse who was validly divorced by a foreign spouse without need for judicial order.
<b>Public Accounts</b>	<i>Motu Proprio</i> Inquiry		Inquiry into the Commission on Audit's (COA) Annual Audit Report for Calendar Year 2020 on the Department of Health (DOH) and COA's adverse audit findings in the handling of COVID-19 funds	<p>The Committee, chaired by Rep. Jose "Bonito" Singson Jr. (Party- List, PROBINSYANO AKO) will continue this inquiry in its next meeting scheduled on August 19.</p> <p>At the outset, Rep. Singson stated that the intention of today's hearing is to look into DOH's utilization of COVID-19 funds amounting to P67.32 billion in relation to the COA audit findings. He manifested that public money should, at all times, be spent wisely and effectively.</p> <p>COA Chairperson Michael Aguinaldo said that the audit report being referred to in this inquiry is the COA 2020 Consolidated Annual Audit Report which covers audit findings until December 31, 2020. Aguinaldo explained that the purpose of COA's audit is to provide recommendations for the agency's improvement; determine the propriety of government transactions as well as the extent of compliance with pertinent laws, rules and regulations; and determine the extent of implementation of prior year's audit recommendations.</p> <p>COA Supervising Auditor Rhodora Ugay reported that the mishandling and poor utilization of the COVID-19 funds allocated to the DOH led to missed opportunities as they could have been used to improve the country's healthcare system amid the pandemic. She disclosed the details of COA's adverse audit findings on the P67.32 billion COVID-19 funds allocated to the DOH in 2020, which include the following:</p> <ul style="list-style-type: none"> <li>• Unobligated allotments (P11.89 billion);</li> <li>• DOH's COVID-19 programs transferred to procurement or implementing partner-agencies without the required Memorandum of Agreement and other supporting documents (P42.41 billion);</li> <li>• Deficiencies in the procurement process and lack of documentation in various contracts (P5.01 billion);</li> <li>• Accomplishment targets for the implementation of foreign-assisted projects not met (P3.4 billion);</li> <li>• No proper documentation of COVID-19 related donations-in-kind (P1.41 billion);</li> <li>• Lapses in the management of the interim reimbursement mechanism</li> </ul>

Continuation...  
Public Accounts

- funds (P734.5 million);
- Unauthorized grant of meal allowances (P275.91 million);
- Lapses in the handling of petty cash fund (P98.41 million);
- Unutilized or delayed utilization of procured goods for COVID-19 response (P74 million);
- Incomplete documentation for death and sickness compensation (P11.66 million); and
- Unpaid claims for financial assistance to intended beneficiaries (P4.89 million).

Health Secretary Francisco Duque III said that most of COA's CY 2020 Audit Report findings have already been addressed or are currently being addressed by the DOH. The DOH, he said, is in close coordination with all its operating units to provide information on and to address the state auditor's findings and recommendations.

DOH Undersecretary Leopoldo Vega pointed out that the COA's audit report did not mention any findings of funds lost to corruption. This was attested to by Aguinaldo during the hearing.

Vega further said that DOH already resolved the issue on unobligated allotments, which involved Government of the Philippines (GOP) funds and foreign assisted projects (FAPs) loans. Likewise, the DOH already addressed the findings on unpaid financial assistance to healthcare workers (HCWs).

On the procedural and documentary deficiencies in procurement process, Vega said that directives were given to the DOH's operating units to immediately comply with the COA's recommendations.

However, Vega said that the distribution of meal benefits in the form of cash allowances, gift certificates, and grocery items is only partially implemented because it was only in June 2021 that the Office of the President (OP) approved that cash equivalents of the meal benefits will be granted to the HCWs.

Several Members expressed dismay at DOH's delayed action on the matter. They contended that had DOH asked for the OP's approval to convert the meal benefits to cash at an earlier time, the meal benefits could have also been issued to the beneficiaries earlier.

Rep. Stella Luz Quimbo (2<sup>nd</sup> District, Marikina City) asked DOH to submit the number of HCWs who are expected to receive the special risk allowance (SRA) as well as those who actually received the same. The funds for this was sourced from Republic Act 11494 or the Bayanihan to Recover as One Act (Bayanihan 2).

<p>Continuation... Public Accounts</p>				<p>The COVID-19 SRA is an assistance not exceeding P5,000 per month to public and private HCWs who directly cater to or are in contact with COVID-19 patients. The COVID-19 SRA shall be in addition to any hazard pay, hazardous duty pay, hazard allowance, or other similar benefits under existing laws, issuances, rules and regulations, and shall be exempt from income tax.</p> <p>Rep. Arlene Brosas (Party-List, GABRIELA) expressed disappointment over the huge unspent amount intended for the government's COVID-19 response. She then requested the DOH to submit a detailed breakdown of the DOH's savings under its 2020 regular budget and the unutilized funds for COVID-19 response under the Bayanihan 2.</p> <p>Meanwhile, Deputy Speaker Rodante Marcoleta (Party-List, SAGIP) noted that the COA, in its letter dated July 27, has given the DOH 60 days from receipt of the audit report to submit the latter's Agency Action Plan and Status of Implementation (AAPSI). Therefore, he said, the DOH has until September 27 to answer COA's audit findings. He then questioned COA's release of "inconclusive" audit reports when the 60-day grace period has not yet expired.</p> <p>Rep. David "Jay-Jay" Suarez (2<sup>nd</sup>District, Quezon) concurred with Deputy Speaker Marcoleta that the accusations against the DOH are "premature," noting that the COA's audit findings are still inconclusive.</p> <p>Aguinaldo clarified that COA does not issue press releases on its audit reports. The annual reports and other audit reports, he said, are published in the Commission's official website for transparency purposes. He added that COA is performing its constitutional duty to publish audit reports of government agencies.</p> <p>Duque lamented that the COA's report on DOH's spending deficiencies is "unfair and unjust" and has damaged the dignity of the department and its workers. The COA, he said, should have given the DOH more leeway to respond to the state auditors' findings and recommendations.</p> <p>The Chair, Deputy Speaker Rufus Rodriguez (2<sup>nd</sup>District, Cagayan de Oro City), and Rep. Carlos Isagani Zarate (Party-List, BAYAN MUNA) were of the opinion that the DOH was given due process. The COA, they said, is merely adhering to its constitutional mandate to examine and audit all accounts of the government.</p>
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AGENCY BRIEFING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
<p><b>Bicol Recovery and Economic Development</b> (Special Committee)</p>	<p>Briefing by concerned government agencies in the education sector on the education delivery mode for the upcoming academic year and problems encountered by students from the Bicol Region (Region V)</p> <ul style="list-style-type: none"> <li>• Department of Education (DepEd)</li> </ul>	<p>The Committee, chaired by Rep. Jocelyn Fortuno (5<sup>th</sup> District, Camarines Sur), listened to the briefing conducted by the Region V officials of the Department of Education (DepEd), Commission on Higher Education (CHED), and Technical Education and Skills Development Authority (TESDA).</p> <p>At the start of the meeting, Rep. Fortuno lauded the DepEd, CHED, and TESDA for their efforts in ensuring the delivery of quality education despite the various limitations brought about by the COVID-19 pandemic.</p> <p>DepEd Region V Director Gilbert Sadsad informed the body that DepEd will continue using the blended learning modality with no face-to-face classes as the pandemic rages on. Blended learning means that teachers will have the options to offer lessons online or through modular or printed materials, television, or radio. He said DepEd Region V is working on printing additional self-learning modules (SLMs), digitizing SLMs, and procuring more tablets for students and teachers. He added that training programs were also offered by DepEd Region V to capacitate teaching and non-teaching personnel from various schools in the region with the different learning modalities to be used for the upcoming academic year.</p> <p>As for the difficulties encountered by students, Sadsad reported that based on the survey conducted by DepEd Region V, the pandemic is causing mental health challenges to students. Also, he said some students are experiencing difficulties with learning at home due to their current living conditions that may not be suitable for blended learning. To address this, DepEd Region V is implementing the <i>Brigada Pagbasa Program</i>.</p> <p>Brigada Pagbasa is an after-school reading program that aims to improve the literacy of kindergarten to grade 6 learners through the collaboration of DepEd partners, experts, policymakers, and other stakeholders from the local and international organizations in the public and private sector. (Source: DepEd website)</p> <p>The DepEd Region V also gave a brief report on the damage caused by Typhoons Quinta, Rolly, and Ulysses to the different public schools in the region. Sadsad said the budgetary requirement for the repair and rehabilitation of numerous public classrooms in the region is about P9.97 billion. He asked for the support of the Committee for DepEd Region V to receive additional funding for the construction of typhoon and flood proof classrooms, procurement of gadgets for learners and teachers, and provision of efficient internet services in public schools.</p> <p>Replying to the query of Rep. Fortuno on the preparedness of teachers for the upcoming school year, Sadsad assured the Chair that the teachers will be ready by then.</p> <p>On the query of Deputy Speaker Evelina Escudero (1<sup>st</sup> District, Sorsogon) regarding the status of vaccination for teachers in the Bicol Region, Sadsad replied that DepEd Region V is coordinating with the Department of Health (DOH) on the matter. He explained that teachers belong to the priority group A4 (frontline personnel in essential sectors both in public and private sectors) which is why there are still many teachers that are not yet vaccinated. He asked for the intervention of the Committee to request the DOH to already start giving priority to teachers in the vaccination program.</p> <p>With regard to the mental health issues of learners, Deputy Speaker Escudero suggested that DepEd Region V should also coordinate</p>

