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BUDGET BRIEFINGS		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	<p>Budget briefing by the members of the Development Budget Coordination Committee (DBCC) on the proposed FY 2022 national budget</p> <ul style="list-style-type: none"> • Department of Budget and Management (DBM) – on the proposed FY 2022 national budget 	<p>The Committee, chaired by Rep. Eric Go Yap (Party-List, ACT-CIS), opened its deliberations on the proposed FY 2022 National Expenditure Program (NEP) with a briefing on the features of the national budget for next year, as well as on the monetary, financial and external developments and outlook; overview of the Philippine economic performance; fiscal and revenue collection performance; and how the budget will be financed in 2022.</p> <p>In his opening statement, the Chair underscored the Committee's responsibility to scrutinize the proposed P5.024 trillion national budget for FY 2022, which was submitted to the House of Representatives last August 23. He said that the Committee will not be deterred by the threats of the COVID-19 disease from performing its duties to the country and to the people in order to provide effective pandemic response through the proposed national budget. He encouraged the Members to actively participate in the budget deliberations for the swift, efficient, and effective passage of the proposed national budget.</p> <p>Committee Vice Chair, Rep. Teodorico Haresco Jr. (2nd District, Aklan), took over as presiding officer during the DBCC's presentation of the proposed FY 2022 national budget.</p> <p>DBM OIC-Secretary Tina Rose Marie Canda reported that the FY 2022 NEP, with the theme "Sustaining the Legacy of Real Change for Future Generations," amounts to P5.024 trillion, which is 11.5% higher than this year's national budget. She said that the proposed FY 2022 national budget was carefully crafted to provide the necessary funding requirements to support the country's resilience to the COVID-19 pandemic, to sustain the trajectory of economic growth, and to continue the legacy of infrastructure development.</p> <p>DBM Undersecretary Rolando Toledo presented the breakdown of the proposed FY 2022 budget by expense class, as follows: personnel services (PS), P1.46 trillion (29%); allotment to local government units (LGUs), P1.12 trillion (22.2%); capital outlay (CO), P939.8 billion (18.7%); maintenance and other operating expenses (MOOE), P777.9 billion (15.5%); debt burden, P541.3 billion (10.8%); support to government-owned and controlled corporations, P178 billion (3.5%); and tax expenditures, P14.5 billion (0.3%).</p> <p>The top 10 departments/offices to receive the highest budget are as follows:</p> <ul style="list-style-type: none"> • Education-related agencies - Department of Education (DepEd), state universities and colleges (SUCs), Commission on Higher Education (CHED), and Technical Education and Skills Development Authority (TESDA) - P773.6 billion; • Department of Public Works and Highways (DPWH) - P686.1 billion; • Department of the Interior and Local Government (DILG) -P250.4 billion; • Department of Health (DOH), including the budget for National Health Insurance Program - P242 billion;

<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> National Economic and Development Authority (NEDA) – on the Philippine socio-economic performance and outlook 	<ul style="list-style-type: none"> Department of National Defense (DND) - P222 billion; Department of Social Welfare and Development (DSWD) - P191.4 billion; Department of Transportation (DOTr) - P151.3 billion; Department of Agriculture (DA) including the National Irrigation Administration - P103.5 billion; Judiciary - P45 billion; and Department of Labor and Employment (DOLE) - P44.9 billion. <p>Toledo said that the proposed national budget includes P19.6 billion that is earmarked for the DOH's Health Facilities Enhancement Program (HFEP) aimed at further strengthening the capacity of the healthcare sector and improving medical infrastructure. The allocation, he said, will be for the construction and upgrading of health facilities and purchase of medical equipment and ambulances. Out of the said amount, P1.4 billion will be allocated for newly established government hospitals while P106 million will be set aside to ensure the efficient health facility referral system of the One Hospital Command Center (OHCC) for comprehensive and coordinated response to the COVID-19 pandemic.</p> <p>Toledo added that P819 million is also allocated for the procurement of 758,700 complete sets of personal protective equipment (PPE) for DOH hospitals, laboratories, and centers for health development. Also, P5.1 billion is allotted for the purchase of 11 million GeneXpert cartridges for COVID-19 testing machines, he said.</p> <p>Toledo also disclosed that P45.4 billion is allocated for FY 2022 Unprogrammed Appropriations to cover the COVID-19 booster shots of fully-vaccinated Filipinos.</p> <p>He also discussed the budget allocated for the government's programs for the displaced workers, and the social protection programs for the indigent families and families in difficult circumstance due to the pandemic.</p> <p>NEDA Secretary Karl Kendrick Chua said that the government is progressing strongly in its 10-point agenda, which are as follows: macro-economic policies; tax reforms; ease of doing business; infrastructure spending; rural development; land management; human capital development; promotion of science and the arts; improvement of social protection programs; and full implementation of the Responsible Parenthood and Reproductive Health Act of 2012. The 10-point economic agenda, Chua added, provide solid foundation for the country's COVID-19 pandemic response.</p> <p>According to Chua, amid the pandemic, the country's economic potential remains robust because of the following early reforms and strong macroeconomic fundamentals: strong economic growth performance; apt potential to become upper-middle income country; low and stable inflation; strong fiscal position; continuous Build, Build, Build infrastructure program; highest credit rating; lowest unemployment and underemployment; and lowest poverty incidence.</p> <p>Chua said that the government aims to further reduce the poverty rate from 21.6% (in 2016) to 14% or lower by 2022. He said the 2022 promise of lifting six million Filipinos out of poverty was achieved in 2018, four years ahead of the 2022 target. Despite the economic challenges brought by the pandemic, the administration is still determined to pursue the collective long-term vision of Filipinos, encapsulated in the AmBisyon Natin</p>
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<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> • Department of Finance (DOF) – on the National Government’s fiscal and revenue collection performance 	<p>2040. Chua said the AmBisyon Natin 2040 aims to eradicate extreme poverty and make the Philippines a high income country by 2040.</p> <p>Chua attributed the country’s slow productivity and economic growth to the community quarantines and people’s high risk aversion. Fortunately, because of the gradual reopening of the economy and the proper management of risks, the gross domestic product increased by 11.8% in the second quarter of this year. He disclosed that during this period almost all sectors rebounded driven by investments and household spending on the expenditure side and by manufacturing and construction.</p> <p>Unemployment and underemployment rates have eased at 7.7% and 14.2%, respectively, Chua also reported. He stressed, however, that job creation is dependent on the level of quarantine restrictions. He said that based on the estimates of NEDA, as the community quarantine becomes stricter, the impact to the economy becomes worse.</p> <p>Nevertheless, Chua posited that the prospects for 2021 remain encouraging and will allow the country to recover to pre-pandemic levels by the end of 2022. The enablers of the economic recovery, he said, are the acceleration of the vaccination program; safe re-opening of the economy, while strictly adhering to health protocols; and full implementation of the laws on economic recovery.</p> <p>Likewise, according to Chua, the economic recovery will also get a boost from the following:</p> <ul style="list-style-type: none"> • FY 2021 and 2022 budgets; • Build, Build, Build infrastructure program; • Republic Act 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act; and • Amendments to the Public Service Act (Commonwealth Act No. 146), Retail Trade Liberalization Act of 2000 (RA 8762), and Foreign Investments Act of 1991 (RA 7042). <p>On the government’s COVID-19 vaccination program, Chua reported that as of August 22, a total of 48.5 million doses have arrived. As of August 24, he continued, a total of 31.1 million doses have been administered – 17.8 million for the first dose and 13.3 million for the second dose.</p> <p>Chua also discussed the 10 priority measures, as agreed upon by the Legislative-Executive Development Advisory Council (LEDAC), to support the country’s economic recovery.</p> <p>Finance Secretary Carlos Dominguez III said that with fiscal discipline and economic reforms, the country came fully prepared to respond to the global health crisis. He acknowledged the legislators for passing RA 11469 or the Bayanihan to Heal as One Act (Bayanihan 1) and RA 11519 or the Bayanihan to Recover as One Act (Bayanihan 2) and other several reform measures that will enhance the path to economic recovery.</p> <p>Dominguez said that when the COVID-19 pandemic struck, the country was in a sound financial position. This could be attributed to the passage of the tax reforms packages that helped the government collect revenues totaling to P12.4 trillion from 2016 to 2020. Moreover, he said, the tax reform measures added P347.1 billion more to the national coffers from 2018 to 2020.</p> <p>The government, Dominguez continued, maintained a prudent deficit notwithstanding large investments in the Build, Build, Build</p>
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- Bangko Sentral ng Pilipinas (BSP) – on the country's monetary, financial and external developments and outlook

program, which is the main strategy of President Rodrigo Duterte to help Filipinos get out of poverty. He admitted that the unplanned spending needed for the COVID-19 response temporarily pushed up the fiscal deficit to 7.6%, but it is still sustainable and is needed to upgrade the country's healthcare capacity and procure sufficient doses of vaccines.

Dominguez said that prudent fiscal management, appropriate economic investments, and improved revenue collection brought the country to the highest credit rating levels. He added that the 11.8% GDP growth in the second quarter of 2021 is significantly higher than what the market predicted, underscoring the strong capacity of the domestic economy to return to the path of rapid expansion.

As to revenue collections, Dominguez reported that these grew by 3.5% during the period January to July 2021 amounting to P1.75 trillion as compared to the same period last year. The revenue collections for the seven-month period indicate the onset of the country's economic recovery, he added.

BSP Governor Benjamin Diokno said that after more than a year since the onset of the COVID-19 pandemic, the Philippine economy is gradually recovering. The whole government, he said, acted promptly and decisively to address the pandemic. He added that the government's public health measures, fiscal stimulus, and structural reforms provided support to the economy amid the pandemic.

Diokno said that to complement the government's COVID-19 responses, the BSP implemented temporary and time-bound monetary measures to ensure ample liquidity in the financial system, restore financial functioning, and ensure market confidence.

According to Diokno, the domestic economy remains resilient to the adverse effects of the pandemic. The country's macroeconomic fundamentals remain intact as evidenced by the quarterly improvements in the GDP, within the target inflation, robust external payment positions, manageable public sector debt, and sound and stable banking system.

Diokno confirmed that after five consecutive quarters of economic contraction, the Philippine economy returns to positive growth when the country's GDP soars to 11.8% in the second quarter of 2021 from 17% contraction in the second quarter of 2020, which was the height of the pandemic and community quarantines. The economic growth, he said, was largely due to manufacturing, construction, and wholesale and retail trades. This, he said, is an indication that the country is learning how to live with the COVID-19 disease by managing risks and by imposing granular quarantine restrictions.

Diokno also reported that the inflation decelerated to 4% in July from 4.1% the previous month, thereby bringing the average inflation from January to July at 4.4%. The inflation, he said, is projected to settle slightly above target in 2021 but will be lower in 2022 to 2023. Nevertheless, he added, with the continued and timely implementation of non-monetary initiatives and reforms to mitigate supply side pressures on meat and other food prices, inflation is projected to ease towards the midpoint of the target range of 2% to 4%.

With regard to the banking sector, Diokno said that bank lending continues to decline due to risk aversion, weak economic sentiment, and constraints in economic activities. He also

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mentioned that the banks' non-performing loans (NPL) ratio increased to 4.5%, but it is expected to remain at a manageable level. On the external sector, Diokno said that the gross international reserves (GRI) which stood at \$107.2 billion as of July 2021 remains sizeable. The GRI, he said, is being supported by the increasing in-flows coming from cash remittances of overseas Filipino workers.

While the BSP sees indications of economic improvement, Diokno said that it remains cognizant of the potential risks from global and domestic spheres, such as: divergence in global economic recovery; potential further uptick in international commodity prices; rise in COVID-19 infections; and emergence of new COVID variants. Thus, Diokno said that the country's economic recovery is highly contingent on the acceleration of the government's vaccination program and expanding the country's healthcare system.

As he ended his presentation, Diokno stressed that the country's economic fundamentals continue to be firm amid the adverse effects of the COVID-19 pandemic. Effective risk management, continued policy support, and global economic recovery could help underpin the country's recovery, he said.

After the presentations of the members of the DBCC, the lawmakers took turns in asking questions to the country's economic managers. Many of the Members shared their view on what really the government's priority programs are based on the budget allocations.

Reps. Edcel Lagman (1st District, Albay) and Ferdinand Gaitanieri (Party-List, BAYAN MUNA) inquired whether the FY 2022 NEP can be considered as a COVID-19 response measure.

Dominguez said it is, but clarified that the proposed national budget is also responsive to other prevailing concerns of the country.

Replying to the query of Rep. Lagman, DBM OIC-Secretary Canda said that a total of P395.6 billion of the total proposed budget is dedicated for COVID-19 response program. Rep. Lagman then requested DBM to submit the list of the COVID-19 response programs and the corresponding budget allocations.

On the other hand, Rep. Stella Luz Quimbo (2nd District, Marikina City) questioned why the funding for the COVID-19 booster shots was placed under the unprogrammed appropriations. She stressed that placing this amount under the unprogrammed appropriations means that in case the government will not be able to collect its expected revenues, there will be no funds for the COVID-19 booster shots, thereby affecting one of the measures essential for economic recovery.

Canda explained that the proposed budget for the COVID-19 booster shots was placed under unprogrammed appropriations because there is still no definite advice from the DOH and the Inter-Agency Task force (IATF) for the Management of Emerging Infectious Diseases on the necessity for administering booster shots to all fully vaccinated Filipinos.

Rep. Janette Garin (1st District, Iloilo) pointed out that a booster shot is still needed by those fully vaccinated since they may still be infected by the COVID-19 disease, citing herself as an example. Rep. Garin also opined that the proposal for the procurement of a specific brand of COVID-19 testing kit, the

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GeneXpert cartridge, is "impractical." She said GeneXpert cartridge is more expensive compared to other COVID-19 testing kits in the market.

Canda explained that it was the DOH that specified the brand of the testing kit in its budget proposal, admitting that neither the DBM nor the DBCC has the expertise in choosing what brand should be procured.

Meanwhile, Rep. Lagman inquired about the price of the COVID-19 vaccines per dose and per brand. Dominguez replied that the government is still bound by non-disclosure agreements (NDAs) with vaccine manufacturers such that it cannot disclose to the public certain information including the prices of the vaccines.

Rep. Lagman asserted that the Congress, vested with the "power of the purse," is entitled to know how much the government is spending for the COVID-19 vaccines. Dominguez responded that the exact price could be disclosed in an executive session to comply with the signed NDA.

The Committee requested Dominguez to submit a copy of the supply agreements the Philippines has signed with vaccine manufacturers.

Rep. France Castro (Party-List, ACT-TEACHERS) noted that despite the pandemic, the DPWH is set to receive a budget in 2022 three times higher than that of the DOH, which has a vital role in addressing the effects of the pandemic.

Likewise, Party-List Reps. Arlene Brosas (GABRIELA), Eufemia "Ka Femia" Cullamat (BAYAN MUNA), and Sarah Jane Elago (KABATAAN) manifested their objections to the proposed increase in the budget of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC). Based on Executive Order 70, series of 2018, the NTF-ELCAC was created to ensure efficient and effective implementation of the whole-of-nation approach in defeating local communist terrorist groups and obtaining sustainable and inclusive peace throughout the Philippines.

Rep. Brosas pointed out that the proposed FY 2022 budget of P3.58 billion for DOH hospitals is too small compared to the P28.12 billion that will be allocated to the NTF-ELCAC.

Canda explained that the augmentation of the NTF-ELCAC's budget was due to the increase in the number of beneficiaries, which are the barangays that are already cleared of communist terrorist groups.

Deputy Speaker and Antique Rep. Loren Legarda noted that based on sectoral distribution, the proposed budget gave priority to the social services sector, which is set to receive P1.92 trillion or 38.3% of the proposed national budget for next year.

Meanwhile, Rep. Mohamad Khalid Dimaporo (1st District, Lanao del Norte) asked about the effect of the Supreme Court ruling on the Mandanas vs. Ochoa case on the proposed national budget.

Canda said that with the full devolution of basic services as a result of the Supreme Court ruling, projects that were implemented by national government agencies before will be transferred to the LGUs.

Based on the SC ruling on the Mandanas case, the just share of LGUs in the internal revenue allotment (IRA), now called

Continuation... Appropriations		<p>National Tax Allotment (NTA), must be computed based on all national taxes. As a result of the ruling, LGUs are expected to receive a huge increase in their NTA by 2022.</p> <p>Rep. Quimbo asked on the readiness of the LGUs for the full devolution of powers and resources to them. She said that according to the League of Provinces of the Philippines, there is a need for a proper transition phase for both the national and local governments in order to adjust to the planned full devolution.</p> <p>Canda replied that there are local budget circulars that provide guidelines to the LGUs in the crafting of their transition plans. She, however admitted, that while some LGUs are ready for the decentralization of powers and resources, there are also LGUs that are hesitant of their capacity to effectively manage the additional functions that will be devolved to them.</p>
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COMMITTEE MEETINGS ON HOUSE MEASURES				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Good Government and Public Accountability	HR 1769	Rep. Quimbo	Urging the Philippine Health Insurance Corporation (PhilHealth) to immediately settle the unpaid claims of all health care facilities in order to maintain and bolster the country's health care capacity and directing the Committee to conduct an inquiry into the non-payment of health care facilities' benefit claims by PhilHealth	The Committee, chaired by Rep. Michael Edgar Aglipay (Party-List, DIWA), will continue its inquiry relative to House Resolutions 1769, 1770, and 1964.
	HR 1770	Rep. Quimbo	Inquiry into the status of social health insurance programs administered by the PhilHealth	At the outset, Rep. Aglipay underscored the urgent need to address the issues raised in the three Resolutions particularly on settling or paying the unpaid claims of public and private hospitals by PhilHealth. He said the purpose of the inquiry is to come up with solutions to address this perennial problem in the health sector.
	HR 1964	Rep. Cuaresma	Requiring the PhilHealth to immediately pay the unpaid claims of all accredited hospitals in Regions I & II and the Cordillera Administrative Region (CAR)	<p>Rep. Stella Luz Quimbo (2nd District, Marikina City), author of HRs 1769 and 1770, explained that the failure of PhilHealth to settle the unpaid claims could result to the closing of some private hospitals which would affect the government's fight against the COVID-19 pandemic. As stated in HR 1769, the delay in the payment of claims has forced private hospitals to reduce their manpower and resources, thus impairing their ability to treat COVID-19 patients. Further, she said HR 1770 aims to check PhilHealth's compliance with the special provision in the 2021 General Appropriations Act (GAA) requiring it to submit to Congress a management audit report, a fund viability plan, and an undertaking for a third-party audit of its actuarial projections and benefit packages in order to ensure the effective utilization of PhilHealth funds.</p> <p>Nueva Vizcaya Rep. Luisa Lloren Cuaresma, author of HR 1964, explained that she filed the resolution in response to the concerns of lawmakers from Regions I, II and CAR about PhilHealth's delayed payment of claims filed by hospitals in these regions since 2016.</p>

<p>Continuation... Good Government and Public Accountability</p>				<p>PhilHealth President and Chief Executive Officer Dante Gierran assured the body that PhilHealth will find a swift solution to the issue of unpaid claims. He explained that the delays are due to valid reasons such as the verifications that have to be made on requests for reimbursements to ensure that the claims are legal and compliant with the requirements under the PhilHealth's insurance program. He said PhilHealth is ready to make the necessary adjustments in its system to facilitate the payment of claims. According to Gierran, PhilHealth has established regional claim offices nationwide, hired additional personnel, and undertaken measures to improve its information technology (IT) infrastructure for faster validation and processing of claims.</p> <p>Philippine Hospital Association (PHA) President Jaime Almora confirmed that many hospitals have closed down due to financial issues as a result of the delay in the payment of claims by PhilHealth. He also said that the adoption of the Debit-Credit Payment Method (DCPM), pursuant to PhilHealth Circular No. 2021-0004 dated April 8, 2021, only aggravated the delay, especially for hospitals that did not apply for the DCPM. Almora explained that some hospitals and health care facilities (HCFs) were hesitant to apply for the DCPM because of vague provisions in the terms and conditions of the DCPM "Undertaking."</p> <p>Under the Circular, eligible HCFs which are interested to participate in the DCPM must submit a properly accomplished "Undertaking" (a form that can be downloaded in the PhilHealth website) duly signed by the HCF owner or Medical/Hospital Director subject to the concurrence of PhilHealth.</p> <p>The Circular also provides that under the DCPM, "PhilHealth shall pay 60% of the total amount of applicable HCF receivables subject to 2% expanded withholding tax for private eligible HCFs; and pay the remaining 40% of the total amount of good claims, subject to 2% expanded withholding tax for private eligible HCFs, following full compliance to existing claims processing requirements and procedures and full reconciliation of the 60% of the total amount of applicable HCF receivables initially paid to the HCF."</p> <p>Rep. Quimbo asked about the total unpaid claims of PhilHealth to date and the standard processing time for claims. Gierran replied that the total unpaid claims is P21.1 billion (P10.6 billion from private hospitals) as of August 24. He also said that the usual processing time for claims takes around 44 days.</p> <p>Replying to the comment of Rep. Quimbo that the processing time should be within 3 to 20 days only, pursuant to Republic Act 11032 or</p>
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<p>Continuation... Good Government and Public Accountability</p>				<p>the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, Gierran said PhilHealth is allowed to exceed the 20-day requirement pursuant to the Implementing Rules and Regulations (IRR) of the National Health Insurance Act of 2013 (RA 10606).</p> <p>Section 47 (L) of the IRR states that “all completed claims, except those under investigation, shall be paid within 60 calendar days from receipt of the Corporation.”</p> <p>Anti-Red Tape Authority (ARTA) Director General Jeremiah Belgica affirmed that PhilHealth is covered by RA 10606. However, he opined that RA 10606 is a general law and if there is a special law that prescribes a period of processing of a transaction for a specific agency, then the special law supersedes the general law.</p> <p>Belgica also apprised the body that ARTA has been coordinating with PhilHealth to address the backlogs on the payment of benefit claims. He reported that based on their meetings, the main cause of the delay was the deficient IT infrastructure of PhilHealth and faulty documentation of claims which increase the number of claims that are being returned to hospitals. He said ARTA already recommended to PhilHealth to improve its IT infrastructure and further streamline its pre-payment assessment and review.</p> <p>Asked by the Committee Chair on the commitment of PhilHealth to fast-track the settlement of unpaid claims, Gierran vowed that PhilHealth will pay 60% of the P21.1 billion unpaid claims by next week through the DCPM. He added that PhilHealth will also lift PhilHealth Circular 2021-0013 which imposes a Temporary Suspension of Payment of Claims (TSPC) against health care providers (HCPs) that are subject of investigation based on credible and verifiable report by PhilHealth or other duly authorized government agencies. The TSPC was imposed due to “apparent and probable presence of fraudulent act, unethical practices and/or abuse of authority.”</p> <p>As for the number of cases filed by PhilHealth against hospitals due to fraudulent claims, PhilHealth Legal Sector Senior Vice President Jose Mari Tolentino said PhilHealth has already filed 5,872 cases for 2021.</p> <p>Rep. Aglipay requested PhilHealth to submit the list of cases it has filed against hospitals in the last five years.</p> <p>Regarding the compliance of PhilHealth with the special provision in the 2021 GAA as mentioned earlier by Rep. Quimbo, PhilHealth Acting Senior Vice President for Actuarial</p>
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Continuation... Good Government and Public Accountability				<p>Services and Risk Management Sector Nerissa Santiago informed the body that the management audit is ongoing and being conducted by the Insurance Commission.</p> <p>The Committee requested PhilHealth to make a presentation relative to HR 1770 in the next meeting.</p>
Persons with Disabilities (Special Committee)	HB 6317	Rep. Robes	Creating the National Commission on the Empowerment of Persons with Disabilities, defining its powers, functions, and responsibilities and appropriating funds therefor	The Committee, chaired by Rep. Ma. Lourdes Arroyo (5 th District, Negros Occidental), approved House Bills 6317, 6962 and 9413 in principle. A technical working group (TWG) was created to consolidate the bills and come up with a substitute bill.
	HBs 6962 & 9413	Reps. Arroyo (M.L.) and Zubiri	Reorganizing the National Council on Disability Affairs into the National Commission on Disability Affairs, defining its powers and functions, appropriating funds therefor	<p>Committee Vice Chair and Rep. Edgar Chatto (1st District, Bohol) presided over the meeting to allow the Chairperson to sponsor her bill.</p> <p>Rep. Arroyo, author of HB 6962, pushed for the passage of the proposed law. She also manifested that the explanatory note attached to her bill shall serve as her sponsorship speech.</p> <p>HB 6962 seeks to reorganize the National Council on Disability Affairs (NCDA) into the National Commission on Disability Affairs, to grant the NCDA more power and support to collect data, identify needs, and formulate policies relating to persons with disability (PWDs). Under the bill, the proposed Commission will have one Regional Director for every region who shall supervise the official activities related to PWDs of all provinces, cities, and municipalities under the jurisdiction of the region.</p> <p>San Jose del Monte City Rep. Florida "Rida" Robes, author of HB 6317, sought the passage of the proposed law, citing the policy of the State to protect the rights of PWDs and promote their welfare and development.</p> <p>Expressing support for the proposed law were resource persons from the Department of Social Welfare and Development, Department of Justice, National Council on Disability Affairs, National Anti-Poverty Commission, Metropolitan Manila Development Authority, Philippine Health Insurance Corporation, Government Service Insurance System, Social Security System, PWD Association in Quezon City, and Angat PWD United.</p> <p>The stakeholders were requested to submit their position paper on the bills.</p>
Public Accounts	<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 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), continued its inquiry relative to COA's 2020 Consolidated Annual Audit Report (CAAR) on the DOH.</p> <p>At the start of the meeting, Rep. Singson recalled that the Committee was able to</p>

<p>Continuation... Public Accounts</p>				<p>establish in the previous meeting that the amount of P42.41 billion intended for the procurement of COVID-19 supplies was transferred to the Department of Budget and Management-Procurement Service (DBM-PS), as validated by its OIC-Executive Director Jasonmer Uayan. He said the Committee decided to invite Mr. Lloyd Christopher Lao, the then OIC-Executive Director of DBM-PS when the fund transfer was made, to shed light on the issues raised.</p> <p>On the query of Rep. Singson pertaining to Lao's employment record, the latter stated that prior to his appointment as OIC-Executive Director of DBM-PS in January 2020, he was appointed in August 2016 as Undersecretary at the Presidential Management Staff (PMS) under the Office of the Special Assistant to the President, then headed by Senator Christopher Lawrence "Bong" Go. After one year, he said he resigned and moved to the Housing and Land Use Regulatory Board (HLURB) to be its chief executive officer and commissioner. He maintained that he got appointed to the government positions he occupied purely based on his qualifications and without seeking any political endorsement. (HLURB was reorganized into the Human Settlements Adjudication Commission under the Department of Human Settlements and Urban Development.)</p> <p>Regarding Lao's involvement in the controversial planned purchase of two frigate ships for the Philippine Navy amounting to P15.5 billion, he explained that the procurement process for the two frigate ships was initiated and completed during the previous administration and the turnover of the ships to the Philippine Navy was already commencing during his time with the PMS. According to Lao, the PMS came into the picture because it received complaints about the selection or purchase of a computer system that will be installed in the two ships. That was why his office wrote Philippine Navy Admiral Robert Empedrad, the frigate project technical working group chairman, inviting him to Malacañang Palace to discuss the complaints. Lao stressed that his office was merely addressing issues pertaining to the implementation of the frigate project.</p> <p>As for the P42.41 billion that was transferred to the DBM-PS for the purchase of COVID-19 medical supplies, he admitted that the DBM-PS took a while to disburse the said fund which began in March last year and continued up to this year. He explained that the existing suppliers of the Department of Health (DOH) were not responsive at the time as most of the medical suppliers in the country are mere importers/distributors. He also said the pace of importation then was languid brought about by the diminished operation and capacity of the</p>
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transportation sector, the lockdown in many countries, and the export restrictions imposed by foreign governments on their medical and COVID-19-related supplies.

However, Lao said that after prudent negotiations, the DBM-PS eventually purchased the supplies from China. He claimed that the DBM-PS strictly abided by the legal requisites on procurement and documentation under the emergency procurement process.

Rep. Lawrence "Law" Fortun (1st District, Agusan del Norte) inquired on the number of unqualified healthcare workers (HCWs) that were able to receive the special risk allowance (SRA) under the Bayanihan to Recover as One Act (Bayanihan 2). He also asked about the plan of the DOH to rectify the matter.

Under Bayanihan 2, the COVID-19 SRA is for public and private health workers who are directly catering to or in contact with COVID-19 patients.

DOH Undersecretary Leopoldo Vega replied that the DOH is still gathering data on the actual number of unqualified HCWs who received the SRA. He also averred that the different DOH offices and operating units will be required to present their respective justifications for providing the said benefit to unqualified HCWs.

DOH Secretary Francisco Duque III assured the body that qualified HCWs will still be given the SRA. He also informed the body that there are regional directors who inserted a proviso in the receipts they issued that if the payment becomes the subject of a notice of disallowance, the payee health worker will have to return the money.

Likewise, Duque said that the DOH is seeking clarification from the COA and the Department of Justice as to what constitutes "directly catering to or in contact with COVID-19 patients." He said this has created a gray area in determining which workers will be covered by the SRA, especially with the advent of COVID-19 variants that are highly transmissible and are airborne. Thus, he opined that there is a need to revisit, or if necessary, amend the laws granting benefits to health workers during this pandemic, so that the DOH and its officials will also be protected from liabilities when making the disbursements.

Rep. Fortun noted that during the last meeting, it was mentioned that only P31 billion out of the P42.41 billion fund transferred to the DBM-PS has completed deliveries. Thus, he inquired on the status of the P11.41 billion balance.

<p>Continuation... Public Accounts</p>				<p>Uayan replied that the DBM-PS only received P41.4 billion for 2020, of which P39.3 billion has been obligated and P27.1 billion of the obligated funds has already been paid as of today. He said the delivery of the rest of the procured items is ongoing.</p> <p>Deputy Speaker Rufus Rodriguez (2nd District, Cagayan de Oro City) and Rep. Fortun said that the payment for the meals, accommodation, and transportation of public and private health workers are provided for in Section 10 of the Bayanihan 2. Thus, the DBM should not have denied the payment of these benefits as the availability of appropriations for Bayanihan 2 was extended until June 30 by virtue of RA 11519.</p> <p>Replying to the query of Deputy Speaker Ferdinand Hernandez (2nd District, South Cotabato), COA Chairperson Michael Aguinaldo stated that the 2020 CAAR on the DOH was straightforward and prepared pursuant to COA's constitutional mandate and duty. He emphasized that the findings of COA are still subject to compliance and not yet final. He said agencies subject of audit, like the DOH, are always given the period within which to comply with the recommendations made by the auditors and to address and rectify deficiencies that were identified. In fact, he said that the DOH already submitted updates on its compliance with the COA recommendations.</p> <p>Further, Aguinaldo reiterated that the CAAR was issued without any intention on the part of COA to malign the DOH and that the CAAR itself does not mention any findings by the auditors of funds lost to corruption.</p>
<p>Suffrage and Electoral Reforms jt. w/ Muslim Affairs, and Peace, Reconciliation and Unity</p>	<p>Substitute Bill to HBs 8116, 8117, 8161, 8222 & 8277</p>	<p>Deputy Speaker Legarda, Rep. Mangudadatu, Majority Leader Romualdez, Rep. Dimaporo (M.K.), and Deputy Speaker Ungab</p>	<p>Resetting the first regular elections in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), amending for the purpose, Section 13, Article XVI of RA 11054, otherwise known as the Organic Law for the BARMM</p>	<p>The Joint Committee approved the substitute bill subject to amendment. The corresponding Committee Report was likewise approved. The meeting was co-chaired by Rep. Juliet Marie de Leon (4th District, Negros Occidental), Chair of the Committee on Suffrage and Electoral Reforms; Rep. Ansaruddin Abdul Malik Adiong (1st District, Lanao del Sur), Chair of the Committee on Muslim Affairs; and Rep. Esmael Mangudadatu (2nd District, Maguindanao), Chair of the Special Committee on Peace, Reconciliation and Unity.</p> <p>Rep. Datu Rooney Sinsuat Sr. (1st District, Maguindanao), who presented the key features of the substitute bill, said that the proposed law resets the first regular elections in the BARMM from 2022 to 2025 to synchronize with the national elections in 2025. This, he added, effectively extends the term of the Bangsamoro Transition Authority (BTA) for three more years or until 2025.</p> <p>Along with the extension of the term of the BTA to afford it sufficient time to finally</p>

<p>Continuation... Suffrage and Electoral Reforms jt. w/ Muslim Affairs, and Peace, Reconciliation and Unity</p>				<p>complete its tasks, Rep. Sinsuat said that additional provisions were incorporated pertaining to the membership of the BTA (Section 2) and appointment of new members of the BTA (Section 3). These provisions, he said, are important to ensure the continuing leadership role of the Moro Islamic Liberation Front (MILF) in the extended transition period.</p> <p>Moreover, Rep. Sinsuat said that Section 4 (Sufficient Funds for Normalization) of the substitute bill mandates the National Government and the Bangsamoro Government to coordinate and ensure that sufficient funds are provided for the full implementation of the Normalization Track. He said this will address the concern of Rep. Mohamad Khalid Dimaporo (1st District, Lanao del Norte) as contained in his bill, HB 8222. Nevertheless, Rep. Sinsuat said that the said provision still needs the comments and suggestions from Rep. Dimaporo.</p> <p>The Normalization Track is one of the tracks under the Comprehensive Agreement on the Bangsamoro (CAB) signed by the Philippine Government and the MILF in 2014. It mainly involves the decommissioning of the MILF combatants and putting their weapons beyond use; and the transformation of six (MILF) camps into peaceful and resilient communities. On the other hand, the Political Track includes the ratification of the Bangsamoro Organic Law (BOL) and the establishment of the BARMM. <i>(Source: Office of the Presidential Adviser on the Peace Process website)</i></p> <p>Rep. Dimaporo manifested that his main concern is to get the assurance that the MILF combatants are properly decommissioned, which he said is the spirit of the peace agreement.</p> <p>Rep. Amihilda Sangcopan (Party-List, AMIN) proposed to delete Sections 2 and 3 and suggested to replace them with one provision which will give the incoming President the authority to retain or terminate the composition of the current BTA. In line with this, she proposed that the provision will be written as: "The incumbent members of the BTA shall continue to hold office until the duly elected President in the 2022 national elections appoints or reappoints new members of the BTA. The President shall appoint members of the BTA in accordance with Section 2, Article 16 of the BOL. The BTA shall be the interim government until the election and qualification of the Chief Minister under the First Parliament in the year 2025."</p> <p>Rep. Mangudadatu, author of HB 8117 and head of the technical working group that crafted the substitute bill, clarified that the provision fixing the term of BTA members until</p>
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<p>Continuation... Suffrage and Electoral Reforms jt. w/ Muslim Affairs, and Peace, Reconciliation and Unity</p>				<p>2025 does not necessarily mean that whoever gets appointed shall automatically enjoy his or her term until 2025. The President still has the discretion to terminate the BTA members even before 2025, he added.</p> <p>Rep. Sangcopan also reminded the body that she, along with other Members, has repeatedly requested a presentation of a roadmap that will lay down concise, realistic, and achievable timelines of the transition; and clear programs for the non-Moro indigenous peoples and communities in the BARMM. However, such request has not been responded to up to now.</p> <p>Likewise, Rep. Jose Christopher Belmonte (6th District, Quezon City) underscored the importance of BTA presenting a clear roadmap on how it plans to fully implement the CAB.</p> <p>BARMM Ministry of the Interior and Local Government Minister Naguib Sinarimbo said that the CAB is a roadmap itself as it provides the components of the Normalization and Political tracks that should be achieved within the transition period. Sinarimbo explained that what is important to note on the roadmap is the relationship between the Normalization and Political Tracks, which he describes as “intertwined.” He said that all the political milestones, including the passage and ratification of the BOL and election of BARMM officials, have to be synchronized with the movements towards normalization, which includes the decommissioning of MILF forces.</p> <p>Reminding the members of the Joint Committee that its main objective is to resolve whether or not to postpone the BARMM elections, Rep. Sinsuat said the body should focus on this in order to come up with a bill that can be passed at the soonest possible time. He acknowledged that the Members have reached a consensus to postpone the BARMM elections, but not on other issues raised by the other Members.</p> <p>Rep. Edgar Erice (2nd District, Caloocan City) suggested that the Committee’s version of the substitute bill be similar to the Senate version to save time considering the urgency of the passage of the proposed law.</p> <p>Majority of the Members voted in favor of the amended version of the substitute bill.</p> <p>Rep. Dimaporo registered his objection to the approval of the substitute bill.</p>
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TECHNICAL WORKING GROUP MEETING ON HOUSE MEASURES				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Micro, Small and Medium Enterprise Development (Technical Working Group)	Draft Substitute Bill to HB 7968	Rep. Roman	Establishing a barangay microfinance system and appropriating funds therefor	<p>The technical working group (TWG), chaired by Rep. Christian Unabia (1st District, Misamis Oriental), terminated its deliberation on the draft substitute bill to House Bill 7968. The substitute bill will be presented to the mother Committee for its consideration and approval.</p> <p>The proposed law seeks to create a Barangay Microfinance Cooperative (BMC) in each barangay that shall serve as a lending or credit cooperative, as recognized by the Cooperative Development Authority (CDA). The BMC shall be monitored and supervised by a Barangay Microfinance Office which the proposed law also proposes to establish in every barangay.</p> <p>According to Rep. Unabia, the agreements in the last TWG meeting were already incorporated in the latest version of the draft substitute bill.</p> <p>In the ensuing discussion, the TWG took note of the final recommendations of the resource persons from the CDA, Department of the Interior and Local Government, Department of Finance, Commission on Audit, Securities and Exchange Commission, Bangko Sentral ng Pilipinas, Land Bank of the Philippines, and Philippine Amusement and Gaming Corporation.</p> <p>Rep. Geraldine Roman (1st District, Bataan), author of HB 7968, accepted the proposed amendments to most of the provisions of the draft substitute bill.</p> <p>On the tax exemption provision of the proposed law, the body agreed to discuss this further at the mother Committee level.</p>

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