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BUDGET BRIEFINGS		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	<p>Briefing on the proposed FY 2022 budget, plans and programs, and major accomplishments of the Office of the President (OP), Commission on Audit (COA), and the Department of Tourism (DOT)</p> <ul style="list-style-type: none"> Office of the President Commission on Audit 	<p>The Committee, chaired by Rep. Eric Go Yap (Party-List, ACT-CIS), listened to the presentations of the OP, COA, and DOT on their proposed FY 2022 budget, plans and programs, and major accomplishments.</p> <p>The Committee Vice Chair, Rep. Manuel Jose "Mannix" Dalipe (2nd District, Zamboanga City), sat as the presiding officer during the deliberations on the OP's proposed budget for FY 2022.</p> <p>The Committee dispensed with the presentation of the OP's FY 2022 proposed budget.</p> <p>Upon Rep. Tyrone Agabas' (6th District, Pangasinan) motion, the Committee terminated the hearing on the OP's proposed budget. Rep. Agabas said this is consistent with the long-established tradition of extending parliamentary courtesy to a co-equal branch of government such as the OP.</p> <p>Reps. Sarah Jane Elago (Party-List, KABATAAN), France Castro (Party-List, ACT-TEACHERS), and Carlos Isagani Zarate (Party-List, BAYAN MUNA) objected to the immediate termination of the budget hearing. They said it is their right as Members to scrutinize the proposed budget of the OP and to seek clarifications on certain allocations such as the intelligence funds of the OP.</p> <p>Rep. Dalipe assured the three lawmakers that they will be given the opportunity to interpellate during the OP's budget deliberation in the plenary.</p> <p>Rep. Yap concurred with the statement of Rep. Dalipe and assured the body of a transparent proceeding in the plenary where all Members will have the chance to pose their respective questions to further scrutinize the proposed budget of the OP. He said copies of the OP budget briefer were already disseminated to all House Members.</p> <p>Based on the budget briefer, the proposed FY 2022 budget of the OP is P8.18 billion, to be distributed by expense class as follows: maintenance and other operating expenses (MOOE), P6.49 billion; personnel services (PS), P1.12 billion; and capital outlay (CO), P574.97 million.</p> <p>Committee Vice Chair, Quirino Rep. Junie Cua, presided over the budget briefing of COA.</p> <p>COA Chair Michael Aguinaldo presented COA's proposed FY 2022 budget of P14.46 billion, which is 2.74% higher than its current budget of P14.07 billion. By expense class, COA's proposed budget will be distributed as follows: PS, P13.25 billion; MOOE, P571.36 million; and CO, P643.71 million.</p> <p>Aguinaldo appealed to the Members of the Committee for the restoration of the P70.8 million budget cut in MOOE, which was intended to fund the establishment of provincial satellite auditing</p>

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offices. He likewise asked to restore the P35.73 million budget cut in CO, which would fund the upgrading of the agency's information and communications technology equipment.

Rep. Castro inquired on the status of the alleged 20 unauthorized bank accounts of the Department of National Defense (DND) with deposits amounting to P1.81 billion based on COA's 2020 Audit Report.

Aguinaldo said that the DND already closed some of the accounts. However, he continued, other accounts remained open because they are depository accounts for DND's current projects, most of which have multi-year obligations. He pointed out that all agencies are required to close bank accounts which were opened without legal basis and revert the balances to the Bureau of the Treasury (BTr).

Rep. Castro inquired about COA's audit observation with regard to increases in the communication expenses of some agencies, which she claimed are being used to fund the dissemination of fake news, red tagging, and other abusive acts online. She then requested for a detailed breakdown of the communication expenses of the DND, Department of Foreign Affairs, Department of Finance, Presidential Communications Operations Office, Armed Forces of the Philippines, Philippine National Police, and the Department of the Interior and Local Government. Aguinaldo agreed to provide the information requested by Rep. Castro.

Deputy Speaker Rufus Rodriguez (2nd District, Cagayan de Oro City) recalled COA's 2020 Audit Report on the Department of Health (DOH) concerning the transfer of P42 billion to the Procurement Service of the Department of Budget and Management (PS-DBM) for the purchase of COVID-19 supplies. He asked why it was PS-DBM that was given the task of buying the COVID-19 related supplies when that is not its expertise.

Agreeing with Deputy Speaker Rodriguez, Aguinaldo said PS-DBM's area of expertise is the procurement of common use supplies with most government agencies getting their supplies from it. Aguinaldo added that the matter is now being looked into by the resident auditor of the PS-DBM. He explained that per COA's observation, there is a problem in the management of inventory of these supplies, such that there was an overpurchase in April 2020 when the prices were high and while there are still a lot of undisposed supplies in the PS warehouse.

Asked by Rep. Edcel Lagman (1st District, Albay) if COA has jurisdiction to conduct an audit on the Philippine National Red Cross (PNRC), which is a non-government humanitarian organization, Aguinaldo replied in the negative.

Rep. Lagman likewise inquired if COA can audit all expenditures and disbursements of the DOH and the National Task Force Against COVID-19 relating to the purchase of various brands of vaccines even with a non-disclosure agreement between the government and the vaccine manufacturers.

Aguinaldo gave the assurance that COA is going to conduct an audit on all expenditures relating to the purchase of these vaccines. He added that COA already issued the guidelines in the audit of transactions and disbursements related to the government's national vaccination program.

COA was requested to furnish the Committee with a copy of the said guidelines.

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- Department of Tourism

Rep. Zarate inquired if COA can disclose information to the public with respect to possible irregularities in the handling of confidential and/or intelligence funds lodged with certain government agencies, such as the Office of the President (OP).

Aguinaldo admitted that there is an inherent limitation on the part of COA to audit intelligence funds since these are confidential in nature. In the same manner, details about the use of these funds cannot just be disclosed to the public, he said.

Baguio City Rep. Mark Go asked if the 36% unfilled positions in the COA is still included in its 2022 budget. Aguinaldo replied in the affirmative, adding that the budget for these unfilled positions is treated as savings which COA can use to implement programs and projects that are not funded by the DBM.

Several Members lauded the Commission for its resolve to conduct fair and responsible audit on the use of government funds and for faithfully discharging its mandate of submitting reports on the financial condition and operations of the government.

The Committee terminated the briefing on the FY 2022 proposed budget of COA.

Committee Vice Chair, Rep. Michael John Duavit (1st District, Rizal), sat as the presiding officer during the hearing on the budget of the DOT and its attached agencies.

Tourism Secretary Bernadette Romulo-Puyat said that under the FY 2022 National Expenditure Program (NEP), the DOT and its attached agencies are set to receive P3.79 billion, which is 13.8% higher than its current budget of P3.33 billion. The bulk of the DOT's budget or P3.02 billion goes to MOOE; while the rest will go to PS, P766.76 million; and financial expenses (FE), P3.58 million.

The DOT Secretary emphasized that the strategic tourism thrust of the DOT for 2022 will be geared towards the crafting of timely policies for a safe and fun tourism; creating standards and protocols in line with global best practices; development and enforcement of tourism standards and regulations; inclusive and participatory policy formulation with stakeholders; and alignment of Tourism Response and Recovery Plan with the updated 2016-2022 National Tourism Development Plan (NTDP).

Romulo-Puyat highlighted the programs of the Department toward a "new normal" for the Philippine tourism industry. She added that the DOT has carried out the Tourism Response and Recovery Program during the initial stages of the COVID-19 outbreak to help tourism-related businesses and their workforce get back on their feet.

The Tourism Secretary also reported that the tourism industry is among the sectors that have been badly hit by the COVID-19 pandemic. According to Romulo-Puyat, global travel industry suffered a decline of 73% in international visitor arrivals in 2020. The ASEAN region likewise suffered the same fate with decline in visitor arrivals ranging from 79% to 85% in 2020, she said.

Rep. Castro inquired on the steps undertaken by the DOT to mitigate the effects of the pandemic on the tourism sector.

In response, Romulo-Puyat said that the DOT continues to implement its COVID response programs that it started in 2020, among which include, continuous vaccination of tourism workers nationwide; accreditation of hotels; technical support to local

<p>Continuation... Appropriations</p>		<p>government units (LGUs) for online registration of visitors to tourist destination sites; and subsidizing 50% of the cost of RT-PCR (Reverse Transcription Polymerase Chain Reaction) tests for qualified domestic tourists.</p> <p>DOT Assistant Secretary for Product and Market Development Verna Buensuceso added that, for 2022, the DOT plans to organize tourism circuits and capability programs in various LGUs to provide job opportunities to local communities in preparation for the gradual opening of tourism sites.</p> <p>Asked by Catanduanes Rep. Hector Sanchez if the P3.53 billion budget of the DOT-Office of the Secretary is intended for the implementation of DOT projects only in the National Capital Region, the DOT Secretary clarified that it will be utilized for the implementation of DOT programs nationwide.</p> <p>Rep. Jose "Bonito" Singson Jr. (Party- List, PROBINSYANO AKO) inquired on the details of the P2.03 billion budget allocated by the DOT for market and product development program. (The DOT's market and product development program aims to expand and recalibrate tourism products and develop new tourism circuits under the new normal.)</p> <p>ASEC Buensuceso explained that the P2.03 billion will be used for research and development of the marketing portfolios identified in the 2016-2022 NTDP.</p> <p>Rep. Zarate asked DOT for an update on the Philippine Retirement Authority's (PRA) issuance of special resident retiree's visas (SRRV) to foreign nationals. He averred that PRA's policy, which allows foreigners aged 35 and above to retire in the Philippines, may have repercussions on the country's national security, noting that most of the retirees in the younger age bracket who were granted SRRV are Chinese nationals.</p> <p>SRRV is a special non-immigrant visa for foreign nationals who would like to make the Philippines their second home or investment destination. (<i>Source: PRA website</i>)</p> <p>According to Romulo-Puyat, the PRA was ordered to temporarily suspend the issuance of SRRV last year pending amendments to PRA's policy on age and visa deposit requirements. However, she informed the body that PRA has resumed its issuance of SRRVs, but only applicants aged 50 years and above are accepted.</p> <p>Rep. Duavit commended the DOT for receiving the highest audit rating from the COA in 2019 and 2020, as well as the Department's excellent performance in boosting the country's tourism industry amid the COVID-19 crisis.</p> <p>Likewise, several Members lauded the efforts of the DOT Secretary for her proactive role in coming up with policies and programs to address the needs of the tourism industry amidst the pandemic. They expressed their support to augment the FY 2022 budget of the DOT and its attached agencies</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	<p>The Committee, chaired by Rep. Michael Edgar Aglipay (Party-List, DIWA), will continue its inquiry relative to House Resolutions 1769, 1770, and 1964.</p> <p>At the outset, Rep. Aglipay commended the PhilHealth for heeding the call to suspend the implementation of its Circular 2021-0013 which imposes a Temporary Suspension of Payment of Claims (TSPC) against health care providers (HCPs) that are subject of investigation due to "apparent and probable presence of fraudulent act, unethical practices and/or abuse of authority."</p>
	HR 1770	Rep. Quimbo	Inquiry into the status of social health insurance programs administered by the PhilHealth	<p>On August 29, PhilHealth President and Chief Executive Officer Dante Gierran issued an advisory suspending the implementation of the TSPC.</p>
	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, said that PhilHealth should clarify issues regarding its compliance with the 60-day statutory period for processing of claims. She also asked about PhilHealth's compliance with the special provision in the 2021 General Appropriations Act (GAA) requiring it to submit to Congress a management audit report 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>PhilHealth Acting Senior Vice President for Actuarial Services and Risk Management Sector Nerissa Santiago reported that the Insurance Commission (IC) has yet to find an auditing firm that will conduct the third-party audit of PhilHealth's actuarial projections and benefit packages. For the management audit report, she said the IC is already conducting the management audit and that the initial findings of the IC will be submitted to the Committee.</p> <p>Nevertheless, Santiago informed the body that the projected actuarial life of PhilHealth is only until 2027. She explained that this is due to net losses as the number of COVID-19 related claims continues to rise. She also mentioned the need to fund PhilHealth's new benefit package, called the PhilHealth <i>Konsulta</i>. Under PhilHealth Circular No. 2020-0021 (Accreditation of HCPs for PhilHealth <i>Konsulta</i> Package), <i>Konsulta</i> covers a defined set of primary care health services based on a person's life-stage, health risks, and needs for which all Filipinos are entitled to.</p> <p>Rep. Quimbo posited that the implementation of the <i>Konsulta</i> Package should have been</p>

<p>Continuation... Good Government and Public Accountability</p>				<p>lodged with the Department of Health, since it is the duty of the latter to provide primary care for all Filipinos.</p> <p>With regard to the processing of claims, Dr. Jonathan Michael Ele, head of PhilHealth's Supplemental Benefits Team, reported that from January 1, 2020 to August 24 of this year, the total number of claims reached 20.54 million. Out of this total, 14.83 million have been paid, 3.53 million are being processed, 1.47 million were returned to hospitals for faulty documentation, and 706,518 were denied. For the 3.53 million claims that are still being processed, involving an amount of P21.1 billion, he said 45.6% are from government hospitals and 54.4% are from private hospitals.</p> <p>Replying to the query of the Chair, Ele admitted that 52.3% of the claims that are still being processed have already exceeded the 60-day processing period.</p> <p>Under the Implementing Rules and Regulations (IRR) of the National Health Insurance Act of 2013 (RA 10606), "all completed claims, except those under investigation, shall be paid within 60 calendar days from receipt of the Corporation."</p> <p>Ele cited some of the reasons why the processing of some claims have already exceeded the 60-day processing period, as follows: missing values or details in the submitted documents; incomplete submission of supporting documents or attachments; "unreadable" documents; and double filing/same day confinement.</p> <p>Rep. Quimbo contended that most of the reasons mentioned are just minor errors that could have been corrected easily within the 60-day period.</p> <p>Rep. Ron Salo (Party-List, KABAYAN) concurred with the statement of Rep. Quimbo, adding that the abovementioned reasons cannot be readily considered as possible fraudulent acts.</p> <p>Asked if double filing/same day confinement is already an indication of fraud, Ele answered that there is a possibility that the claim is fraudulent.</p> <p>PhilHealth Fund Management Sector Acting Senior Vice President Ma. Emily Roque explained that the earlier cited reasons could possibly lead to findings of fraud hence the need for further investigation.</p> <p>For her part, PhilHealth Corporate Affairs Group Vice President Shirley Domingo said that in order to address the delays in the processing of claims, the PhilHealth regional directors were already instructed to conduct</p>
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Reforestation (Special Committee)	HB 1963	Rep. Cabochan	Institutionalizing private land forestry to enhance reforestation and environmental protection, and providing incentives therefor	<p>The Committee, presided by its Vice Chair, Mt. Province Rep. Maximo Dalog Jr., will deliberate further on House Bill 1963 in another meeting.</p> <p>Rep. Manuel Cabochan III (Party-List, MAGDALO), author of House Bill 1963, said that his bill aims to protect the country's forest land and resources and address the problem of indiscriminate logging.</p> <p>HB 1963 proposes a system of private land forestry, defining special agricultural lands and permanent agroforestry zones, and vesting in private individuals the property right to such lands. Private individuals exercising limited property rights over these lands under the supervision of the local government units (LGUs) will constitute the more effective enforcers of practices that will contribute towards the renewal and preservation of forest lands and resources.</p> <p>Expressing support for the intent of the bill were resource persons from the Forest Management Bureau-Department of Environment and Natural Resources (FMB-DENR), Land Bank of the Philippines (LBP), University of the Philippines (UP), Masungi Georeserve Foundation (conservation area in the rainforests of Rizal), and Alalay sa Kaunlaran, Inc. (ASKI) Foundation. However, some of them objected to the proposal that the agro-forestry lands shall be owned by private individuals.</p> <p>Rep. Ron Salo (Party-List, KABAYAN) and FMB-DENR Forester Nelissa Maria Rocas suggested that ownership of agro-forestry lands remain with the State. Rep. Salo said this will prevent farmer-beneficiaries from selling the land once transferred to them.</p> <p>LBP Assistant Vice President Edgardo Luzano said that LBP will assist the qualified farmer-beneficiaries of the agro-forestry land in accessing loans for the improvement of the lands.</p> <p>Meanwhile, UP Professor Lilian Jenifer Rodriguez, Masungi Georeserve Foundation Managing Trustee Ann Dumaliang, and ASKI Foundation Manager Froilan Gutierrez underscored the importance of planting trees</p>

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	HB 8154	Rep. Kho (E.)	<p>Providing for the mandatory planting of one tree for each Filipino aged seven years old and above each year and appropriating funds therefor</p>	<p>The Committee will deliberate further on House Bill 8154 in another meeting.</p> <p>Rep. Elisa "Olga" Kho (2nd District, Masbate), author of HB 8154, said that her bill seeks to engage all Filipinos in a massive tree planting activity every year. The bill proposes that each Filipino aged seven years old and above shall be required to plant one tree per year. She said DENR in coordination with LGUs and schools will identify open lands suitable for planting trees.</p> <p>Rocas manifested that the proposed law is no longer necessary considering that there are already existing laws on tree planting, rehabilitation, and reforestation.</p> <p>Rep. Kho requested the DENR to submit a monitoring and compliance report on the implementation of tree planting programs.</p> <p>On the other hand, Bureau of Plant Industry's (BPI) Plant Propagation Section Chief Andrea Inocencio expressed support for the bill, adding that it will strengthen the existing laws on tree planting. She committed that the BPI will provide technical support in the implementation of the proposed law once enacted.</p> <p>Rep. Salo suggested that pertinent provisions of existing laws on tree planting be reviewed and incorporated in the proposed law. He believes that the bill is feasible because the school itself, through the teachers, will organize their students to plant trees.</p> <p>Rep. Kho is also amenable to the suggestion that a small group meeting with concerned agencies and stakeholders be conducted to discuss the bill further. Rep. Salo will head the small group as well.</p>