Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION NO. 199

Introduced by: Hon. Angelina "Helen" D.L. Tan, M.D.

RESOLUTION
DIRECTING THE COMMITTEE ON HEALTH TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, INTO THE DEPARTMENT OF HEALTH'S (DOH) FINANCIAL AND OPERATIONAL EFFICIENCY, ECONOMY AND EFFECTIVENESS WITH THE END IN VIEW OF DETERMINING ITS CAPABILITY TO FULFILL ITS MANDATED RESPONSIBILITIES UNDER THE UNIVERSAL HEALTH CARE (UHC) ACT

WHEREAS, Article 2, Section 15 of the 1987 Philippine Constitution mandates that: "The State shall protect and promote the right to health of the people and instill health consciousness among them";

WHEREAS, consistent with the above Constitutional mandate, the Department of Health (DOH) was mandated to be the over-all technical authority on health. Its major mandate is to provide national policy direction and develop national plans, technical standards and guidelines on health. It also acts as regulator of all health services and products; provides special or tertiary health care services; and technical assistance to other health providers especially to Local Government Units (LGUs);

WHEREAS, the DOH plays three essential roles in the health sector: leadership in health, enabler and capacity builder, and administrator of specific services namely, national and sub-national health facilities and hospitals serving as referral centers, direct services for emergent health concerns requiring complicated technologies and assessed as critical for public welfare and health emergency response services, referral and networking systems for trauma, injuries, catastrophic events, epidemics and other widespread public danger;

WHEREAS, in light of the recent enactment of the landmark Universal Health Care (UHC) Act, which seeks to provide every Filipino immediate eligibility and access to preventive, promotive, curative, rehabilitative, and palliative care for medical, dental, mental and emergency health services, delivered either as population-based or individual-based health services, DOH's stipulated powers and functions, as provided under Executive Order No. 102 which redirects the functions and operation of the DOH, have never been more important;

WHEREAS, it is unfortunate that based on its recently released report for 2018, the Commission on Audit (COA) has observed that "Delays in the implementation of various programs, projects and activities of the DOH resulted in its inability to optimize the utilization of its authorized appropriations for CYs 2017 to 2018 as indicated in the low disbursement rates of only 56.98 percent and 51.67 percent for the said periods. Further analysis of the absorptive capacity of the DOH major programs for CY 2018 showed that eight out of the nine major DOH programs, although with a high obligation rate, have a very low absorptive capacity based on their low fund utilization rate of 0.00 percent to 40.98 percent";

WHEREAS, it also revealed that "Overstocking of Drugs and Medicines for Distribution procured by the DOH Central Office since CY 2015 up to CY 2018 with a balance of ₱18,499.817 million still on hand at DOH Warehouses as of December 31, 2018, of which ₱12,991.775 million or 70.23% pertains to current year purchases and ₱295.767 million or 2% are found to
be nearing expiry, as of January 31, 2019 and overstocked/slow moving/idle inventory items procured by CHDs/Hospitals amounting to ₱52,049 million”;

WHEREAS, COA has noted DOH’s “Inefficient, uneconomical and ineffective management on the Letters of Credit amounting ₱34,277,994 million and that “HFEP Equipment in various DOH hospitals/TRCs and LGU recipients in several regions aggregating ₱964.729 million were found to: a) have lack of effective monitoring of receipt and distribution; b) premature purchases of equipment resulting in additional government expenses; c) idle/unutilized; d) unrecorded in the books of recipients; e) defective equipment; f) not found during inspection by Regional Auditors; g) with no tagging; and h) delivered with incomplete accessories thus, exposing these properties to deterioration/loss/theft and resulting in the non-attainment of the program objectives”;

WHEREAS, among other important observations, COA reported that, “Various projects amounting to ₱1,013.136 million are still in progress as a result of the inability of the Contractors to complete the same per project contract stipulated time, thus, depriving the public of the intended social and economic benefits that these projects could have provided had these projects been timely completed”;

WHEREAS, Presidential Decree No. 1445 otherwise known as the “Government Auditing Code of the Philippines” declares as a policy of the State that “all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguard against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned (emphasis supplied);

WHEREAS, in view of the DOH’s enhanced responsibilities under the UHC law, it is imperative to look into the efficiency, economy and effectiveness of its finances and operations in order to ensure that it will be able to carry out its essentials functions, especially in the face of the implementation of the UHC law;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved by the House of Representatives to direct the Committee on Health to conduct an investigation, in aid of legislation, into the Department of Health’s (DOH) financial and operational efficiency, economy and effectiveness with the end in view of determining its capability to fulfill its mandated responsibilities under the Universal Health Care (UHC) Act.

Adopted,

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