



**Aquilino Pimentel III et al. v.
House of Representatives et al.;
Bayan Muna et al. v. Marcos;
ISAMBAYAN et al. v. House of
Representatives**

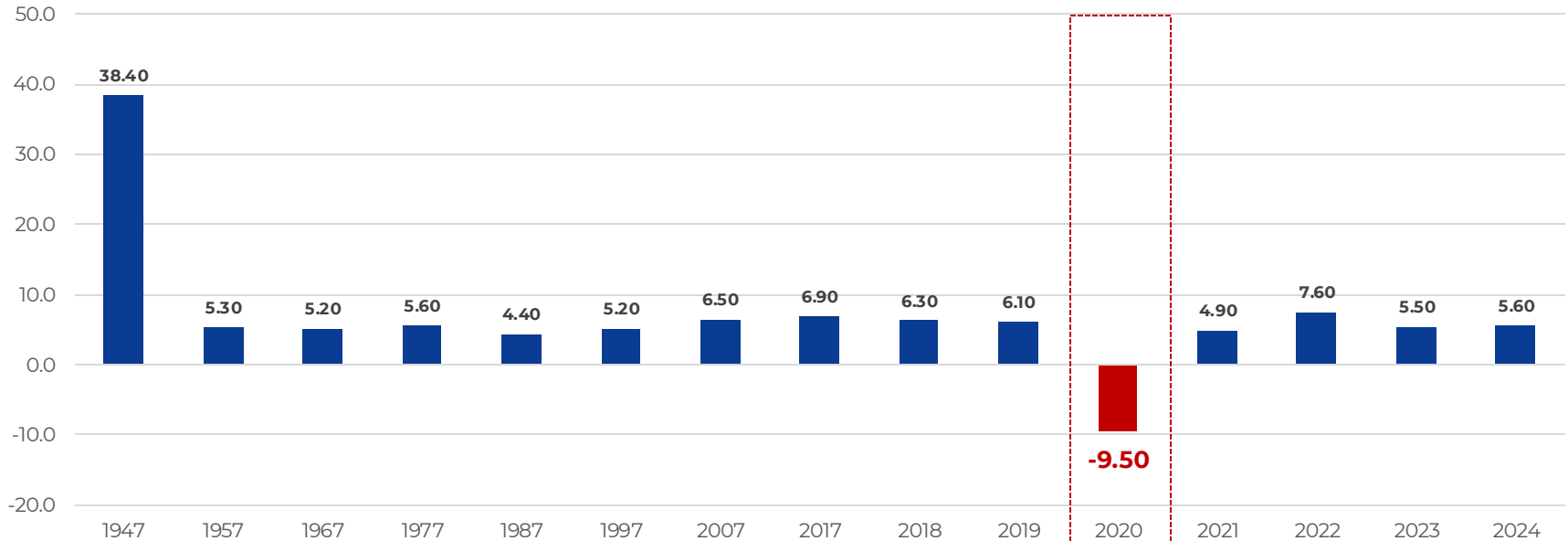
Secretary Ralph G. Recto

Secretary of Finance

April 2025

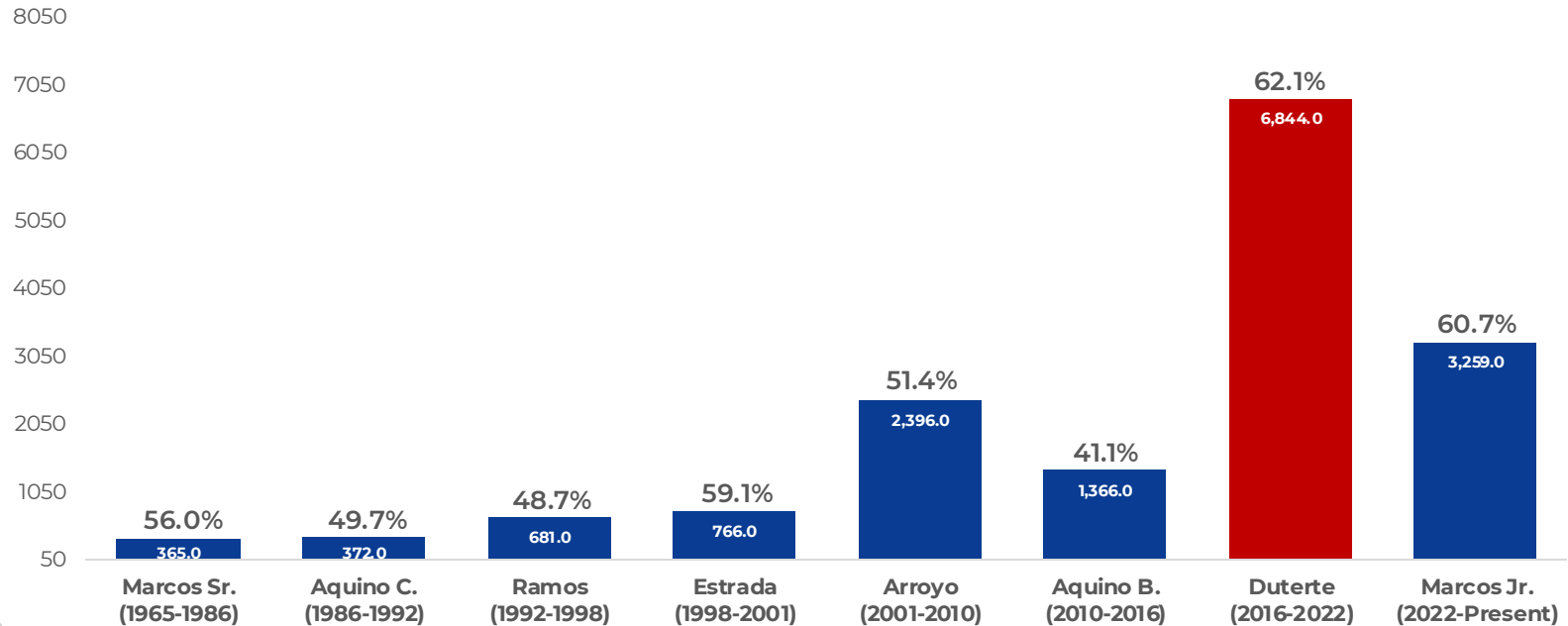
We are still recovering from the pandemic that gave us the hardest economic blow since post-World War II.

Real GDP from 1947-2024 (in %)



During the pandemic, the government had to borrow more money to address both health and economic needs. Borrowings soared by the end of 2022, the highest among all past administrations combined.

**Change in Total Debt Levels and Debt-to-GDP ratio at the end of each Administration
(in PHP billion)**



An aerial, high-angle view of a dense city skyline, likely New York City, with numerous skyscrapers and buildings. The image is semi-transparent, allowing the text to be clearly visible over it. The text is centered and reads: "Against this backdrop, geopolitical tensions—two hot wars, a trade war, and a looming cold war, as well as supply disruptions from the pandemic **interrupt our recovery efforts.**"

Against this backdrop, geopolitical tensions—two hot wars, a trade war, and a looming cold war, as well as supply disruptions from the pandemic **interrupt our recovery efforts.**

Innovation in the funding source for the priority projects and programs of the President in the Unprogrammed Appropriations under the 2024 General Appropriations Act:

Excess Fund Balances of GOCCs

The Department of Finance was mandated to issue the guidelines to implement Section XLIII Special Provision 1(d) of the 2024 GAA.

TO FUND THE PHP 15.8 BILLION AVERAGE DAILY SPENDING IN 2024, THE DOF NEEDED TO:

COLLECT

**PHP 11.71
billion a day**

and

BORROW

**PHP 4.10
billion a day**



DEPARTMENT OF FINANCE

The image shows a stylized illustration of a modern building with a glass facade, representing the Department of Finance. The building is blue and white, with the words 'DEPARTMENT OF FINANCE' written across its front. The background features a cityscape with various skyscrapers and buildings, some with smoke or clouds rising from them, suggesting an urban environment.

Our Medium-Term Fiscal Program ensures that we mobilize and utilize our resources efficiently to gain the maximum benefit and high multiplier effects for the economy and the Filipinos.



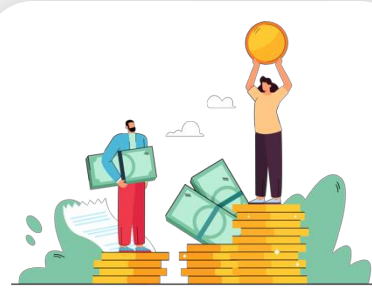
Reduce debt-to-GDP ratio and deficit-to-GDP ratio gradually in a realistic manner

(Debt: from 60.1% in 2023 to 56.3% in 2028)

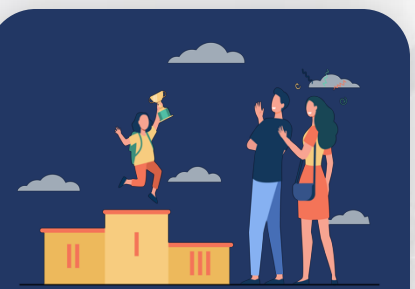
(Deficit: from 6.2% in 2023 to 3.7% in 2028)



Create more and better jobs



Increase people's income



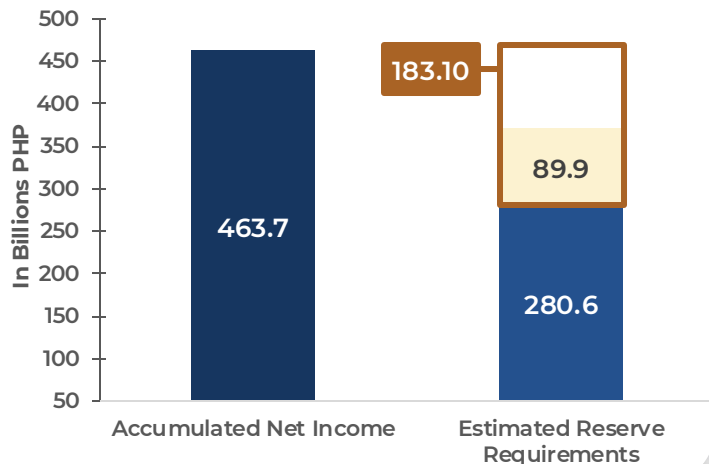
Reduce poverty rate to single-digit or 9% by 2028

Computation of PhilHealth's excess funds

"**Fund balance** of the GOCC from any remainder resulting from the **review and reduction** of their reserve funds to **reasonable levels** taking into account the **disbursement from prior years.**"

The prescribed level of reserve funds is as follows:

Reserve Funds vs. Fund Balance



PHP 463.7 Bn

Accumulated Net Income as of end-2023

PHP 280.6 Bn

Reserve requirement determined by the Average 2-Year Expenditure Levels

PHP 183.1 Bn

Fund Balance eligible for sweeping

PHP 89.9 Bn

Unutilized government subsidy, to be returned to the national government

No member contributions have been taken. Not a single centavo meant for their coverage was touched. PhilHealth's daily operations and benefit packages remain intact.

In fact, the transfer of PhilHealth's excess funds actually spurred its recent expansion of health benefits.

Even as we took PHP 60 billion out of the PHP 89.9 billion excess government subsidies, PhilHealth is still left with PHP 498 billion of cash in its war chest as of last year.

This is more than enough to continue increasing its inpatient, outpatient, and special benefit packages over the next two years.



PhilHealth is NOT bankrupt.

**The Commission on Audit had
never declared PhilHealth
as bankrupt.**

PhilHealth's accumulated net income has grown more than four times since 2019

PHILHEALTH Financial Performance 2016-2024 Amounts in PHP Millions

Particulars	FY 2016 (Actual)	FY 2017 (Actual)	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Actual)	FY 2022 (Actual)	FY 2023 (Actual)	FY 2024 (As of Q3)	FY2023 vs. Q3 2024	YoY Change
Key Income Statement Data											
Total Income	109,661.19	113,299.11	140,831.26	154,566.76	158,107.99	195,889.36	231,782.27	258,689.80	187,086.05	-71,603.75	-27.68%
Premium Contributions	103,825.80	107,447.04	134,088.83	146,435.03	148,994.62	186,218.04	219,539.37	237,173.44	167,393.58	-69,779.86	-29.42%
Member's Contribution	52,928.02	57,478.07	74,339.26	77,069.86	85,569.19	105,979.25	139,474.92	158,367.82	139,558.35	-18,809.47	-11.88%
Gov't Subsidy	50,897.78	49,968.97	59,749.57	69,365.17	63,425.44	80,238.79	80,064.45	78,805.62	27,835.23*	-50,970.39	-64.68%
Investments	5,743.51	5,686.84	6,655.24	7,937.34	8,801.15	9,530.24	11,544.40	20,701.01	19,489.36	-1,211.65	-5.85%
Others	91.88	165.23	87.19	194.39	312.23	141.08	698.49	815.35	203.11	-612.24	-75.09%
Total Expenses	109,912.72	113,061.95	119,806.60	149,908.60	128,048.27	147,983.30	152,743.72	85,233.89	140,655.14	55,421.25	65.02%
Benefit Claims Expense	102,130.70	106,416.65	112,956.46	136,959.85	120,903.16	140,161.03	143,560.40	75,767.23	134,699.73	58,932.50	77.78%
<i>of which Direct Benefit Claims Expense</i>	70,736.45	54,742.18	54,943.42	66,431.38	53,075.85	82,614.50	86,970.16	35,321.22	66,579.96	31,258.74	88.50%
<i>of which Indirect Benefit Claims Expense</i>	31,394.25	51,674.47	58,013.04	70,528.47	64,105.14	53,116.10	56,092.42	40,016.43	66,361.83	26,345.40	65.84%
Personnel Services	5,583.26	4,528.48	4,356.56	4,548.87	4,807.80	4,277.37	4,972.58	5,348.57	3,435.46	-1,913.11	-35.77%
Other Operating Expenses	2,198.76	2,116.82	2,493.58	8,399.88	2,337.31	3,544.89	4,210.74	4,118.09	2,519.95	-1,598.14	-38.81%
Net Income Before Income Tax	-251.53	237.17	21,024.67	4,658.17	30,059.73	47,906.07	79,038.54	173,455.91	46,430.91	-127,025.00	-73.23%
Member's Equity (w/o ICL)	90,683.03	85,233.49	105,299.86	109,958.02	162,537.17	213,160.62	292,916.33	485,341.14	446,326.90	-39,014.24	-8.04%

Notes:
*As of September 2024, no subsidy releases. These are accrued revenues.

Kung hindi natin nasilip ang mga sobra-sobrang pondo ng PhilHealth, malamang hanggang ngayon ay nanatili itong natutulog.

**Ang hakbang na ito ay nagtulak sa PhilHealth na mas palawakin at pagandahin ang kanilang serbisyo sa mamamayang Pilipino.
This is the long term effect of this decisive policy.**

As of December 19, 2024, the BTr has collected **PHP 60 Billion** of the PhilHealth Fund Balance

Uses of the Fund Balance are as follows:

PHP 27.45 Bn

Public Health Emergency Benefits and Allowances for Health Care and Non-Healthcare Workers during COVID-19

PHP 10.00 Bn

Medical Assistance to Indigent and Financially Incapacitated Patients

PHP 4.10 Bn

Procurement of various medical equipment for DOH hospitals, LGU hospitals, and Primary Care Facilities

PHP 3.37 Bn

Three (3) DOH health facilities

PHP 13.00 Bn

Government counterpart financing for foreign-assisted projects

PHP 1.69 Bn

Health Facilities Enhancement Program

**When we talk about the right to health,
it is not solely about PhilHealth.**

**It is also about building more hospitals and
healthcare facilities; enhancing their
operations; and providing more medical
assistance to indigent and financially
incapacitated patients, which are the
Department of Health's priority programs.**

Favorable legal opinions were obtained from the following on the implementation of the Unprogrammed Appropriations provision:



**Office of The
Government
Corporate Counsel
(OGCC)**



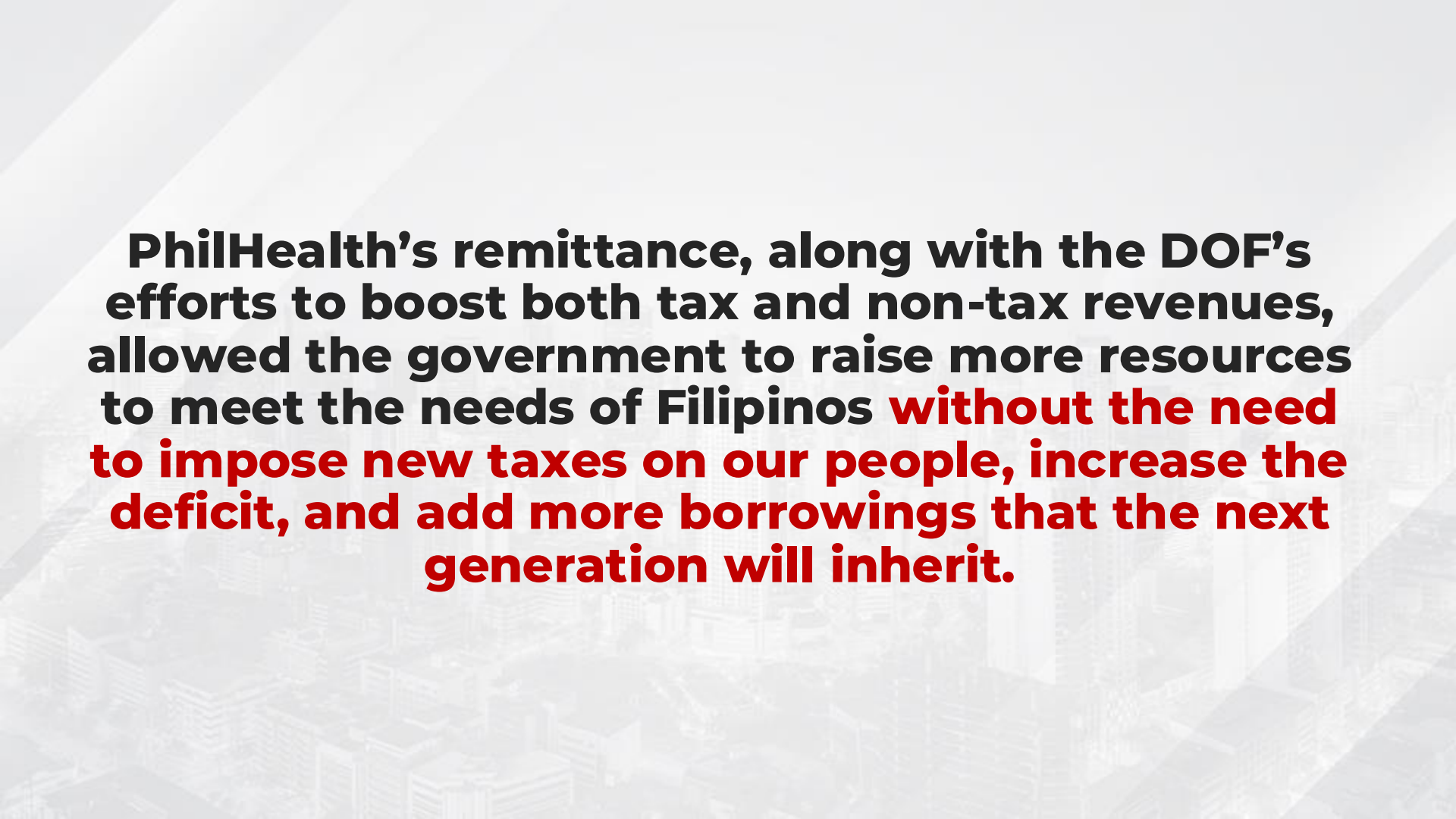
**Governance
Commission for
GOCCs (GCG)**



**Commission on
Audit (COA)**

**We reaffirm the government's position that the
DOF-issued Circular 003-2024 is in fulfillment of
its mandated duty to responsibly manage public
finances in support of our nation's
development goals.**

**It was a decisive move to establish and
implement a strategic fiscal policy that propels
economic growth.**

An aerial view of a city skyline with a white diagonal stripe running from the top-left to the bottom-right. The text is centered over the image.

PhilHealth's remittance, along with the DOF's efforts to boost both tax and non-tax revenues, allowed the government to raise more resources to meet the needs of Filipinos **without the need to impose new taxes on our people, increase the deficit, and add more borrowings that the next generation will inherit.**



All-time high gross national income (GNI) per capita of

USD 4,335 (2023)



Unemployment rate in 2024 of

3.8%

the lowest full-year level on record; Surpasses the target of 4%-5% by 2028



Reduced poverty incidence among Filipino individuals to

15.5% (2023)

or lifted 2.5 million more Filipinos out of poverty; On track to achieve single-digit poverty rate of 9% by 2028

The government is working non-stop to achieve its ultimate goals

Poverty Incidence



The background of the image is a grayscale aerial photograph of a city skyline, featuring numerous skyscrapers and buildings. Overlaid on this background are several large, light-gray diagonal lines that create a sense of depth and movement. Centered in the middle of the image is a large, bold, black text block.

**We assure the Filipino public that
there is no advocate more
committed to higher health
spending than the DOF.**



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