

OPENING STATEMENT

*Senate Committee on
Health and Demography*

Ralph G. Recto
Secretary of Finance

July 30, 2024



FAKE NEWS 1:

“Illegal ang hakbangin ng DOF sa pagkolekta ng mga natutulog na pera ng GOCCs, partikular na ang PhilHealth.”



HINDI ITO ILEGAL

- Ayon ito sa batas, ang **Republic Act No. 11975, or the General Appropriations Act 2024.**
- Dumaan muna ito sa **masusing pag-repaso ng DOF para malaman kung makakatulong nga ba ito sa paglago ng ekonomiya.**
- Mayroon kaming nakalap na mga **pabor na legal opinion galing sa OGCC at COA.**



FAKE NEWS 2:

“Ilalagay ang mga pondong nakalap sa Maharlika Investment Fund.”



HINDI TOTOO

Walang kinalaman ang MIF sa paggagamitang pondo ng mga GOCCs.



FAKE NEWS 3:

“Kailangang ibalik ang PHP 90 bilyong nakuha sa PhilHealth, at now na.”



PHP 20 bilyon pa lang nga ang remitted ng PhilHealth sa Treasury.

Nirerespeto namin ang cash management operations ng PhilHealth. Kaya't mayroon tayong remittance schedule. **Hindi ito one time big time.**



FAKE NEWS 4:

“Dahil dito, simot ang pera ng PhilHealth. Magiging bangkarote ito.”



HINDI TOTOO

- May natitirang **PHP 500 bilyon benefit chest fund** ang PhilHealth.
- Ayon mismo sa kanila, **labis-labis at kasyang-kasya** ito sa mga bayarin para sa **multi-year claims**.
- **Patuloy rin na tatanggap ng subsidiya** ang PhilHealth mula sa pamahalaan.



FAKE NEWS 5:

“Babawasan nito ang mga benepisyong makukuha mo sa PhilHealth kung ika’y magkakasakit.”



HINDI TOTOO

- **PhilHealth na mismo ang nagsabi na ni isang kusing, walang kaltas sa mga benepisyong matatanggap, batay sa kasalukuyang patakaran.**
- **Bagkus, nabanggit pa nga ng Pangulo sa kanyang SONA na tataasan ang mga benepisyo ng PhilHealth.**

2024 SONA ng Pangulo patungkol sa PhilHealth:

Sa PhilHealth naman, dinamihan na ang klase ng generic na gamot na kasama sa benepisyo para sa mga outpatient. Mula sa dalawampu't isang generic na gamot, ngayon ay limampu't tatlo na. May mga bagong gamot para sa altapresyon, at mayroon na rin para sa nerve pain at epileptic seizures.

Bilang tugon sa dumaraming insidente at tumataas na presyo ng pagpapagamot, itinaas ng Philhealth nang mahigit doble ang mga benepisyo para sa mga malulubhang karamdaman, tulad ng acute stroke at pulmonya. Ang limit na ngayon para sa mga kundisyon na ito ay itinaas na hanggang pitumpu't anim na libong piso at siyamnapung libong piso.

Upang mapa-igting pa ang paglaban natin sa cancer, tinaasan ng PhilHealth nang mahigit isanlibong porsyento ang benepisyo para sa pagpapagamot ng breast cancer. Ang dating limit na isandaang libong piso, ngayon ay ginawa na nating 1.4 million pesos.

Ang benepisyo naman para sa colon cancer ay pinag-ibayo na rin. At bago matapos ang taon, maisasama na rin sa mga benepisyo ng PhilHealth ang chemotherapy para sa cancer sa baga, atay, ovary, at prostate.

Naglaan po tayo ng mas mataas na pondo para sa ating medical assistance program, kaya higit na mas marami pang mga Pilipino ang matutulungan nito ngayong taon!

Mula nang pumasok ang Administrasyong ito, nagsimula na ang mga programang pangkabuhayan na nakalaan para sa ating mga PWDs. Sa susunod na taon, ilulunsad naman ng PhilHealth ang benepisyo nito para sa mga batang may kapansanan.



President Ferdinand R. Marcos, Jr.

*2024 State of the Nation Address
July 22, 2024*



FAKE NEWS

6:

“Mga kontribusyon ng members ng PhilHealth ang kinuha.”



HINDI TOTOO

Hindi gagalawin ang kontribusyon ng mga miyembro ng PhilHealth.

Sapagkat ang pondo ay mula sa **sobra at hindi nagagamit na pera ng PhilHealth** mula sa hindi ginamit na subsidiya ng pamahalaan.



FAKE NEWS 7:

“Walang health-related project ang mapupuntahan ng mga PhilHealth funds.”



HINDI TOTOO

And unang PHP 20 bilyong remittance ay ipinangtustos sa pagbayad ng utang na Covid allowances sa mga frontliners na nagkakahalagang PHP 27.5 bilyon para sa 5.04 milyon na claims.



FAKE NEWS 8:

“Walang menu, nakatago, at discretionary ang mapupuntahan ng mga GOCC remittances.”



HINDI TOTOO

Kung ano ang listahan sa Unprogrammed Appropriations, **doon lang maaaring dalhin ang pondo – walang labis, walang kulang.**

The PHP 203.1 billion will fund the following:

| Expenditure / Purpose | Possible charges | | | |
|--|------------------|-------------|-------------|--------------|
| | PS | MOOE | CO | TOTAL |
| Foreign-Assisted Projects (FAPS) | 0.078 | 2.6 | 49.0 | 51.7 |
| Personnel benefits | 27.6 | | | 27.6 |
| Public health emergency benefits and allowances for health care and non-health care workers | | 27.7 | | 27.7 |
| NEDA-PSA: Community-based monitoring system | | 3.5 | 0.12 | 3.6 |
| Payment of right-of-way | | | 3.0 | 3.0 |
| Maintenance, repair, and rehabilitation of infrastructure facilities (routine maintenance of national roads) | | 6.0 | | 6.0 |
| Proposed SSL law VI | 40.0 | | | 40.0 |
| Fiscal support arrearages for comprehensive automotive resurgence strategy program | | 0.415 | | 0.4 |
| Support to barangay development program of NTF-ELCAC | | 6.5 | | 6.5 |
| DPWH - various projects | | 1.7 | 24.9 | 26.6 |
| Revised AFP modernization program | | | 10.0 | 10.0 |
| TOTAL | 67.7 | 48.4 | 87.0 | 203.1 |

List of Financing for Foreign-Assisted Projects (FAPS)

Health

Philippine Multi Sectoral Nutrition Project

Education

Supporting Innovation in the Philippine Technical and Vocational Education and Training System

Agriculture and Fishery

Support to Parcelization of Lands for Individual Titling Project

Mindanao Inclusive Agriculture Development Project

Philippine Rural Development Project Scale-Up

Philippine Fisheries and Coastal Resiliency Project

Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project

Social Development

Local Governance Reform Project

Capacity Building to Foster Competition

**Davao City By-Pass Construction Project (South and Center Sections), JICA, PH-P261 and Davao Bypass Construction Project, Package 1 (South and Center Sections) JICA, PH-P273*

***Infrastructure Preparation and Innovation Facility (IPIF), Output 2 (Water Projects), ADB, Technical Assistance Loan, ADB 3886-PHI - Additional Financing, Infrastructure Preparation and Innovation Facility (IPIF), Output 2 (Water Projects), ADB Loan 4424-PHI, Second Additional Financing, and Infrastructure Preparation and Innovation Facility (IPIF), Output 3, ADB Loan 3886-PHI, Additional Financing*

Infrastructure

Panay-Guimaras-Negros Island Bridges Project

Arterial Road Bypass Construction Project

Davao City Bypass Construction Project*

Road Network Development Project in Conflict-Affected Areas in Mindanao

Philippines - Korea Project Preparation Facility

Cebu - Mactan Bridge and Coastal Road Construction Project

Dalton Pass East Alignment Road Project

Priority Bridges crossing Pasig-Marikina River and Manggahan Floodway Bridges Construction Project

Samal Island Davao City Connector Project

Infrastructure Preparation and Innovation Facility**

Improving Growth Corridors in Mindanao Road Sector Project

Reconstruction and Development Plan for Greater Marawi

Panguil Bay Bridge Construction Project

Bataan - Cavite Interlink Bridge Project

Samar Pacific Coastal Road II

Jalaur River Multipurpose Irrigation Project

Infrastructure

Metro Manila Flood Management Project

Cavite Industrial Area Flood Risk Management Project

Pasig - Marikina River Channel Improvement Project

Integrated Flood Resilience and Adaptation Project I

Philippines Seismic Risk Reduction and Resilience Project

Road Upgrading and Preservation Project

Central Luzon Link Expressway Phase I

Metro Manila Interchange Construction Project, Phase VI

Flood Risk Management Project for Cagayan de Oro River

New Communications, Navigation, and Surveillance/Air Traffic Management System Development Project

New Bohol Airport Construction and Sustainable Environment Protection Project

Davao Public Transport Modernization Project

Maritime Safety Capability Improvement Project Phase I

Metro Manila Subway Project Phase I

North-South Commuter Railway Project

COST-BENEFIT ANALYSIS OF FINANCING THE PROJECTS AND PROGRAMS UNDER THE UNPROGRAMMED APPROPRIATIONS

Benefits:



Increase in real GDP growth:

0.7%



Additional revenues

PHP 23-24.4 billion

Costs



Increased deficit-to-GDP for 2024:

From 5.6% to 6.4%



Increased debt-to-GDP for 2024:

From 60.6% to 61.4%



Increased interest payment

PHP 12.7 billion



Credit Grade Downgrade

Additional interest payments of at least **PHP 15 billion pesos** annually

**TO FUND THE PHP 15.8 BILLION AVERAGE
DAILY SPENDING, THE DOF NEEDS TO:**

COLLECT

**PHP 11.71
billion a day**

and

BORROW

**PHP 4.10
billion a day**



DEPARTMENT OF FINANCE

Against the herculean task to fund the gargantuan, we have to scout for resources without inflicting new taxes on the present, or bequeathing debts to be paid by the future generations.



TO GENERATE MORE REVENUES:



**DOF hiked
dividend rates
to 75% from 50%**



DOF recalibrated its priority measures to be taxpayer-friendly:



Excise Tax on Single-Use
Plastics



Rationalization of the Mining
Tax



Passive Income and Financial
Intermediary Taxation Act



Motor Vehicles Road User's Tax

OUR MAIN REVENUE AGENCIES HAVE STEPPED UP WITH HIGHER COLLECTION PERFORMANCES

January to June 2024 Collections



BUREAU OF INTERNAL
REVENUE

**PHP 1.36
trillion**
11.7% growth



BUREAU OF CUSTOMS

**PHP 455.5
billion**
5.1% growth



NON-TAX REVENUES

**PHP 314.2
billion**
63.3% growth

To fund the unprogrammed appropriations, Congress determined that there is another way aside from new taxes and debts:

Ito ay sa pamamagitan ng pagkolekta sa mga natutulog at hindi nagagamit na pera ng GOCCs na binabayaran pa natin ng interest.

Ito ay mismong nakagalay sa 2024 GAA na aming sinusunod lamang.

Moving forward, we ask Congress to help us, in the executive branch, to carefully choose projects in the budget that create the most economic growth and more jobs.

But please curate the expenditure program without inflating the unprogrammed appropriations side, because this distorts the country's fiscal plan.



Let us operate within the parameters of the Medium Term Fiscal Program that reduces our deficit and debt gradually, creates jobs, and decreases poverty in the process.

**Rest assured, there is no
advocate more committed
to higher health spending
than the DOF.**



To the honorable members of the Senate, dahil kayo ang may akda ng GAA na pinapatupad namin – magsabi lang po kayo ng inyong mga panukala kung paano popondohan ang mga proyektong nasa pambansang badyet, at handa kaming makinig at sumunod sa inyong utos.

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