



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

August 4, 1998

ADMINISTRATIVE ORDER
No. 14 s.1998

SUBJECT: Guidelines for the Utilization of Regional Assistance Fund for Drugs and Medicines of Provincial and Municipal Hospitals as provided for under Item A.III.k of R. A No. 8250

I. RATIONAL/BACKGROUND

The 1998 General Appropriation Act (GAA) also known as R.A. No 8250 (GAA), appropriated the amount of P 65,084,000 under item A.III.k providing for "Regional Assistance Fund for Drugs, Medicines and Micronutrients for the Devolved Provincial and District Hospitals."

The project aims to rationally and equitably supplement available funds of regional field offices (RFOs) for the purchase of drugs and medicines for provincial and municipal hospitals.

II. PURPOSE/COVERAGE

This Administrative Order sets the guidelines for the implementation of the project with particular emphasis on the utilization of aforementioned fund.

It aims to ensure that the appropriated fund is used efficiently, effectively and equitably by the concerned provincial and municipal hospitals including those in the Autonomous Regions in Muslim Mindanao. Allocations among regions was based on the following criteria as agreed upon in the National Staff Meeting last April 18-19, 1997:



III. GUIDELINES FOR THE UTILIZATION OF FUND

1. Regional Funds allocated for the purchase of drugs and medicines of provincial and municipal

hospitals shall be, sub-allotted to the Regional Field Offices. An amount of P65,084,000, net of 25% reserve, shall be apportioned to, Regional Field Office as follows:



2. The RFOs shall take measures to ensure that the funds are managed or used pursuant to the principles of efficiency, effectivity, and equity and to the pertinent provisions of this administrative order.
3. Provincial Hospitals referred thereto is inclusive of District and Municipal Hospitals and also includes medicare community hospitals.
4. From the net amount received, the Director concerned shall allocate the funds for each hospital under his/her jurisdiction on the basis of criteria set deemed appropriate to the region.
5. The procurement of drugs and medicines shall be based on the consolidated RIVs submitted by the different hospitals and within their allocated budget.
6. The RFO shall inform hospitals under their jurisdiction that their requests (RIVs) should be within the list attached as Annex I of the guidelines. Drugs to be procured outside the list need approval from DOH-Central Office.
7. The Director concerned is hereby instructed to undertake bulk procurement activity through open competitive public bidding.
8. All Disbursements shall be subject to the existing accounting and auditing rules and regulations.

IV. SPECIFIC GUIDELINES

1. Prioritization for sub-allotment

Subject to final approval of the OSEC, the office of the Assistant Secretary of OMS shall identify and recommend priority RFOs for sub-allotment based on their performance and accomplishments relative to the 1997 sub—allotments for the same purpose as indicated; in the following:

- 1.a. Compliance to the guidelines for fund utilization lot 1997 sub-allotments
 - 1.b. Compliance to required submission of reports lot 1997 sub-allotments
 - 1.c. Completeness of reports submitted
 - 1.d. Validation results
- ##### 2. Roles and responsibilities

2.a. RHO Directors

2.a.1 Ensure submission of fund liquidation report to Finance Service, Department of Health, Manila within 30 days after the activity and a copy of which shall be forwarded to the Procurement and Logistics Service.

2.a.2 Ensure submission of quarterly report on drugs and medicines procured and distributed using prescribed forms for this purpose until drugs and medicines are completely distributed to recipients.

2.b OMS/Finance Service

2.b.1 Prepare and issue out sub—allotment guidelines

2.b.2 Follow-up submission of utilization report, if necessary.

2.b.3 Conduct validation of drug and medicines procurement and distribution.

3. Monitoring/Evaluation

For evaluation purposes, the Office of the Assistance Secretary of OMS shall device a tool for summarizing finding results on the implementation of of this project as bases for succeeding sub-allotments of the same fund for drugs and medicines. This shall be conducted every end of the fiscal year.

V. Effectivity Clause

This order shall take effect immediately.

CARMENCITA N. REODICA, MD, MPH
Secretary of Health