



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

October 15, 2007

ADMINISTRATIVE ORDER
No. 2007-0034

SUBJECT: Guidelines in the Development of the Province-wide Investment Plan for Health

I. Background and Rationale

The FOURmula ONE for Health (F1), an implementation framework for the Health Sector Reform Agenda (HSRA), consists of strategies, organizational and policy changes, and public investments needed to improve the way health care is delivered, regulated, and financed. It has four reform instruments: financing, regulation, service delivery, and governance.

Under F1, the Province-Wide Investment Plan for Health (PIPH) is the key instrument in forging DOH-LGU partnership to achieve the health sector goals of better health outcomes, more responsive health system, and equitable health care financing. As an approach to health reforms, PIPH builds upon lessons from previous DOH efforts to collaborate with LGUs, including the convergence site development under the HSRA with support from various Sector Development Approach to Health (SDAH) partners.

The PIPH serves as a vehicle for implementing and consolidating support for health reforms at the provincial level. As an approach, the PIPH may also be used by highly urbanized cities, metropolitan areas, and autonomous regions.

The formulation of the PIPH is designed to be an integral part of the entire LGU development process. In particular, the PIPH and the annual operational plan will become part of the local development investment plan and annual investment plan, respectively.

This Order shall guide the DOH entities as it assist the local government units (LGUs) in the formulation of their respective Province-wide Investment Plans for Health (PIPH).

II. SCOPE AND COVERAGE

This Order shall apply to all Bureaus, National Centers, and Centers for Health Development (CHD). The provisions of this order shall constitute the guidelines in assisting LGUs with their respective province-wide investment plans for health.

III. DEFINITION.OF TERMS

For purposes of this Order, the following terms and acronyms shall be defined as follows:

1. AOP— shall refer to the Annual Operations Plan. The AOP provide details work scope, targets, budget requirements, and monitoring arrangements for proposed interventions.
2. CHD — shall refer to Centers for Health Development
3. Costing Table — shall refer to a PPA table that segregates provincial health information by Financing Source, Type of Expenditure, and by Year, with corresponding summaries and a timetable of activities, which is in accordance with the investment plan.
4. DOH — shall refer to the Department of Health
5. EO — shall refer to Executive Order
6. LCE — shall refer to Local Chief Executives
7. LGU — shall refer to Local Government Unit
8. LICT — shall refer to the Local Implementation and Coordinating Team tasked to manage the implementation of the PIPH in the province. The composition and functions of the team may vary from one province to another but it is ideal that the Provincial Governor be the head thereof.
9. MDG - shall refer to the Millenium Development Goals
10. MOA— shall refer to Memorandum of Agreement
11. MOU — shall refer to Memorandum of Understanding
- 12.MTPDP — shall refer to Medium Term Philippine Development Plan
13. M&E — shall refer to Monitoring and Evaluation
14. NGA — shall refer to National Government Agencies
15. NOH —shall refer to the National Objectives for Health
16. ODA — shall refer to Official Development Assistance
17. Partners — shall refer to Development Partners, such as, WHO, ADB, USAID, GTZ, JICA
18. PIPH — shall refer to Province-wide Investment Plan for Health
19. PPA — shall refer to F1 Priority Programs, Projects and Activities
- 20.SDAH — shall refer to the Sector-wide Development Approach for Health
- 21.SLA — shall refer to the annual Service-level Agreement (SLA). The SLA is an instrument that defines the outputs and performance milestones to be attained, the amount of funds that national agencies, institutions, and development partners shall provide, together with the conditions and requirements pertaining to the release thereof.

IV. STATEMENT OF PRINCIPLES

A. In the face of all the challenges in Philippine health system, the country commits to attain the goals set in the Medium Term Philippine Development Plan (MTPDP) 2004—2010 and the Millenium Development Goals (MDGs) of ending poverty, improving access to health, education and other basic social services and attaining greater national development.

B. F1 for Health is the implementation framework for critical reform initiatives. These are on the four reform areas of:

- Financing, which aims to achieve more, better and sustained financing;
- Regulation, which aims to ensure quality and affordability of services, goods and products;
- Service delivery, which aims to ensure access to and availability of health care especially the poor; and
- Governance, which aims to improve performance in managing the delivery of health services

C. Sec. 33 of the Local Government Code provides that Local Government Units (LGUs) may, through appropriate ordinances, group themselves, consolidate, or coordinate their efforts, services, and resources for purposes commonly beneficial to them. In support of such undertakings, the local government units involved may upon approval by the sanggunian concerned after a public hearing conducted for the purpose, contribute funds, real estate, equipment, and other kinds of property and appoint or assign personnel under such terms and conditions as may be agreed upon by the participating local units through Memorandum of Agreement (MOA).

V. GENERAL GUIDELINES

A. Health sector perspective — A comprehensive PIPH considers both public (national and local) and private institutions and stakeholders in the health sectors. The health sector, in this perspective, pertains to the provision of both curative and preventive health services by consumers, providers, financing agents, LGUs, and national agencies such as the DOH. The health sector frame approach illustrates how LGUs and national agencies influence consumer and provider behavior through the F1 instruments of service delivery, regulation, financing, and governance.

B. Planning using a common policy frame — Through the use of a common policy frame, F1 and including its strategic flagship programs, policy makers shall be able to recognize health sector goals that are achievable through the interaction of health care consumers and providers

C. Province-wide — Encompasses all the stakeholders in the province. The province-wide investment plan maximizes economies of scale and the benefits of inter-local cooperation. This should not just be a compilation of all plans of the province, municipal and city governments. For the autonomous region, a region-wide perspective shall be implemented. With regard to highly urbanized cities, the equivalent perspective would be of a city- or metro-wide investment plan for health.

D. Five-year strategic time frame — The PIPH is meant to serve as the medium term (5 years) health investment blue print of a province. This would allow LCEs to maintain a strategic direction as they undertake specific programs, projects, and activities in health. Annual updates of the 5-year time frame shall be required to ensure progress and developments in the health sector.

E. Well-defined critical interventions and targets. Critical interventions should be guided by local and national priorities, as reflected in the Millennium Development Goals (MDGs) and F1 Programs, Projects, and Activities (PPAs). A PIPH should localize the PPAs. With the use of a health sector frame analysis, interventions and targets would be linked to health system outcomes. Performance benchmarks and targets would then be measurable and third-party verifiable.

F. Financial plan — Interventions, targets, and timelines should be linked to current sources and uses of funds, projected incremental revenue streams, and sector-wide support from partners. In the end, more, better, and sustained investments in health can be secured.

G. Implementation through performance-driven agreements — — In the process, performance-driven schemes including incentive packages should be instituted. This would allow for broad-based participation and greater flexibility in execution.

VI. IMPLEMENTING GUIDELINES

A. The Centers for Health Development (CHDs) shall serve as a technical adviser to the LGUs. It shall also organize and convene a planning team that shall be responsible for the following activities:

1. Orient local decision makers and stakeholders on sector reforms (F1)

a) The CHD, through its Director or his duly designated representative(s) shall initiate activities that would open up negotiations to plan with the respective governors within their jurisdiction.

b) The CHD, with the aid of identified partners, shall provide orientation activities on F1 with local policy decision makers and stakeholders as target clients.

2. Get mandate to plan

a) When the LCE accedes to enter into PIPH planning with DOH, the CHD director shall move to secure a local mandate to do so.

b) The mandate shall be in the form of an express agreement, such as, MOA, MOU or Pledge of Commitment through a Governors' Summit

3. Designate, orient, and capacitate planning team

a) The CHD shall convince the LCE to issue an E0 that designates a province-wide planning team composed of provincial officers and staff. The team shall take the lead in the formulation of the PIPH with technical assistance from CHD.

b) The composition of the planning team may vary by province, but it is recommended that the following be included:

i. Provincial Health Officer (PHO);

ii. Provincial Planning and Development Officer (PPDO)

iii. Provincial Budget Officer (PBO)

iv. Sangguniang Panlalawigan (provincial legislative council) member who chairs the Committee on Health

v. Selected municipal health officers (MHOs) and hospital chiefs

vi. Necessary DOH officials;

vii. PhilHealth officials;

- viii. Representatives of other government agencies and non—government organizations (NGOs); and,
- ix. Civil society groups.
- c) The CHD as a technical adviser to LGUs and members of the planning team shall spearhead and undertake activities to train the team on the principles and mechanics of PIPH formulation.

B. The CHD shall work with other partners and shall be responsible for the following:

1. Conduct situational analysis

a) The CHD shall initiate activities that would identify the current state of the health system in the province, to wit:

- i. Implement and collect baseline information;
- ii. Assist in the analysis of prevailing health situation using appropriate technology;
- iii. Initiate studies of spending patterns for health, revenue projections, and estimates of DOH and donor support.

b) The CHD shall ensure that priority problems are identified and the underlying causes have been assessed.

2. Set goals

a.) The CHD shall assist in setting health goals for the province.

- i. Facilitate the identification and prioritization of appropriate strategic goals.

b) The CHD shall ensure that goals are set based on Major Final Outcome criteria:

- i. Improved Health Status — Health problems are eliminated according to their greatest impact especially on the poor;
- ii. Financial Risk Protection — Health financing that prevents impoverishment through health care payment schemes according to ability to pay; and,
- iii. Responsiveness — Health system that provide client satisfaction with regard to the provision of health facilities services and goods.

c) The CHD shall ensure that goals identified by the team are doable and achievable within the 5-year time frame.

3. Determine critical interventions

a) The CHD shall assist in identifying the most effective critical interventions that are doable within the 5-year time frame.

b) The CHD shall ensure that interventions abide by the following criteria.

- i. Clear and explicit linkage with the attainment of set goals,
- ii. Interventions are congruent to F1 PPAs;
- iii. "Doability" and probability of attainment through existing organizational structures and management systems at the LGU;
- iv. Measurability or ability of the interventions to be quantified; and,
- v. Sustainability of interventions.

c) Guide the programming of appropriate actions and activities.

- i. Organization of interventions shall be consistent with the F1 ME3 log frame.

4. Cost critical interventions

- a) The CHD shall assist in the costing of critical interventions according to the following guidelines:
 - i. Costing shall be based on DOH standard program costs taking into account attainment of set of targets;
 - ii. Interventions that address a number of problems shall be costed once.
- b) The CHD shall ensure that the costing of the interventions is within the 5-year time frame, which is subsequently disaggregated as follows:
 - i. By F1 components and by PPAs;
 - ii. Annually — taking into account sequence and timing;
 - iii. By type of expenditures (PS, MOOE and CO)
- c) The CHD shall assist in identifying various financial options and sources that are available to the province (i.e. Loan, grant, subsidy, external and internal DOH sources).
- d) The CHD shall assist in the finalization of costing tables that will serve as basis of the financial plan; and,
- e) The CHD shall ensure that the resource flow is consistent with the finance flow and the identified targets under A.7(a)iv.

5. Determine management systems requirements

- b) The CHD shall identify critical management support systems (like M&E, financial management, procurement and logistics) needed to implement the plan

6. Get mandate to implement

- a) The CHD, through the team, shall initiate efforts to undertake the following:
 - i. Consolidate the different parts of the PIPH; and,
 - ii. Ensure that the parts are coherent and consistent to F1 PPAs.
- b) The CHD shall ensure that the following are undertaken by the LGU:
 - i. Review and consult various stakeholders, as organized by the province;
 - ii. Finalization of the plan as a province-wide investment plan for health.
- c) The CHD, through the planning team, shall ensure that the appropriate implementation structures shall be set-up and institutionalized to carry out effectively and efficiently the PIPH through the promulgation of necessary local policy issuances.
- d) Adopt and implement the plan.

7. Prepare and implement the annual operational plan

- a) The CHD shall ensure that the adopted province-wide health plan, appropriately referred to as the PIPH of the province, is translated into an Annual Operational Plan.
- b) The CHD, as technical adviser to LGUs, shall:
 - a) Facilitate the designation of a LICT.
 - b) Convince the Provincial Governor to enter into MOAs with the LCEs of the province's component LGUs, which shall enable cost-sharing arrangements that are supported by local ordinances or other local policy issuances.
 - c) The CHD, shall undertake advocacy campaigns addressed to the component LGUs and other stakeholder of the province.

8. Secure support from DOH and SDAH partners

a) For LGUs desiring to access DOH and ODA funds, the CHD, as technical adviser to LGUs, shall facilitate the review and appraisal thereof by a National Committee composed of representatives from the DOH, Other NGAs, and SDAH partners.

b) After approval of the plan by the National Committee, the CHD shall:

i. Facilitate a MOA signing between DOH and the province. The MOA shall define the general roles and responsibilities of the parties according to the approved province-wide investment plan for health; and,

ii. Ensure the ratification of the MOA by the Sangguiniang Panlalawigan of the province.

c) Thereafter, the CHD shall facilitate the preparation and the signing of the Annual Service-level Agreement.

A Guidebook for CHDs and Other DOH Bureaus Engaging the LGUs in the Development of a Province-wide Investment Plan for Health shall detail out these process/steps.

C. The Sectoral Management and Coordination Team (SMCT) shall undertake the following functions for the development and implementation of the PIPH:

1. Develop, monitor and coordinate the policies, mechanisms and guidelines; and,

2. Coordinate and manage inputs through the Field Implementation and Coordination Team, as well as to the other management teams concerning policies, standards and technical.

D. The Field Implementation and Coordination Team (FICT) shall undertake the following functions for the development and implementation of the PIPH:

1. Provide the over—all coordination of the Centers for Health Development (CHDs), PhilHealth Regional Officer (PROS), POPCOM and retained health facilities;

2. Provide technical assistance to the province-wide planning team, designated by the Provincial Governor;

3. Strengthen the technical and managerial capability of the provinces to implement the PIPH;

4. Provide venue for inter-agency coordination, including other stakeholders in the health sector;

5. Monitor and evaluate progress of the PIPH development and implementation;

6. Rationalize the role of the DOH-retained hospital as an end-referral health facility; and,

7. Implement the necessary management structures, such as but not limited to, the setting up of Regional Implementation and Coordination Teams.

E. Other DOH Central Office Bureaus and National Centers shall provide technical assistance to provinces relevant to the development and implementation of the PIPH

F. Consistent with Administrative Order 2005-23 and Department Personnel Order 2005-1862, the LICT shall be responsible for the over-all implementation of Formula One activities in their respective local government units or F1 Convergence Sites.

VII. REPEALING CLAUSE

All administrative orders, rules or regulation inconsistent herewith are hereby repealed, amended or modified accordingly.

VIII. SEPARABILITY CLAUSE

In the event that any provision or part of this Order be declared unauthorized or rendered invalid by any court of law or competent authority, those provisions not affected by such declaration shall remain valid and effective.

IX. EFFECTIVITY

This Order shall take effect immediately upon approval.

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Secretary of Health