# PhilHealth’s fault | Inquirer Opinion

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Since the controversial directive of the Department of Finance (DOF) ordering the state-owned Philippine Health Insurance Corp. (PhilHealth) to return P89.9 billion in unused funds to the national treasury, several petitions have been filed at the Supreme Court seeking to stop it.

The petitioners, including some former members of the high tribunal itself, have argued that the transfer is illegal as it goes against the Constitution, warning that the officials involved risked facing plunder charges for doing so. They all requested the Court to issue a temporary restraining order (TRO) to stop the transfer. The DOF, for its part, is firm in its belief that the transfer order is legal because a provision in the General Appropriations Act for 2024, which was approved by Congress, allows it.

In response, the high court set oral arguments on the petitions on Jan. 14, 2025, without issuing a TRO. Last week, however, the Court spokesperson Camille Sue Mae Ting said the high court may act on petitions questioning the constitutionality of the transfer of P89.9 billion in PhilHealth funds earlier than the hearing it has scheduled early next year.

## Out-of-pocket expenses

The court’s change of heart may have been due to the fact that by the time oral arguments are made, the entire P89.9 billion in PhilHealth money would have been transferred to the Bureau of the Treasury’s so-called unprogrammed funds. Under the DOF’s Memorandum Circular No. 003-2024, P20 billion was remitted to the national treasury on May 10, followed by P10 billion on Aug. 21. The third tranche of P30 billion was set to be transferred this month, while the rest will be sent in November. This would render the issue moot, according to the petitioners, unless immediate action is taken by the court.

As the legality of the issue now rests with the high court, there’s a question begging for an answer: Whose fault is this in the first place? On Feb. 20, 2019, Republic Act No. 11223, also known as the Universal Health Care (UHC) Act, was signed into law. Under the UHC, PhilHealth is tasked to administer the country’s universal health-care program that covers all Filipinos. But thus far, implementation of the health program remains wanting.

The main complaint that arose from the Senate deliberations on the proposed budget for 2025 of the Department of Health (DOH), which supervises PhilHealth, is the small coverage of the state insurer’s benefits particularly for poor Filipinos needing medical attention in government hospitals. This has led to huge out-of-pocket expenses for patients.

## Poor implementation

“For example, there is a hospital bill—let’s say it reached P500,000 because the illness is complicated, but PhilHealth would cover only P12,000,” said Sen. JV Ejercito, former chair of the health committee.

The complaints about the UHC’s poor implementation came to a point that during a public hearing held on Oct. 8, Senate health committee chair Sen. Bong Go moved for the suspension of the deliberations on the proposed budgets of the DOH and PhilHealth until their obligations and promises intended to benefit poor and indigent patients are fulfilled or formalized through signed commitment letters.

For PhilHealth, Go cited numerous commitments made by its president, Emmanuel Ledesma: lower premium contributions; increase in case rates; expanded benefits; provision of free medicines and assistive devices such as wheelchairs; coverage of emergency cases and preventive care; inclusion of more dental and optometric services, and the abolition of outdated policies such as the 24-hour confinement requirement and the recently scrapped single-period of confinement policy, among others.

## Unpaid claims

Go also raised the P500-billion reserve fund that PhilHealth was holding onto and criticized the institution for failing to maximize its available resources to benefit the people for their medical needs. Then there is the issue of PhilHealth’s unpaid obligations. Last week, the Private Hospitals Association of the Philippines Inc. (Phapi) asked PhilHealth to settle unpaid claims of private hospitals amounting to P6 billion, including some COVID claims from 2020 to 2022. “These are old debts that were not given attention by PhilHealth,” Phapi president Jose Rene de Grano said.

Given all these shortcomings, one wonders why PhilHealth was unable to use the P89.9 billion in government subsidy to address these issues to the point that the money was unused and is now being taken back by the national government. Poor management? Maybe. Bureaucratic red tape? Perhaps.

PhilHealth is tasked to safeguard the integrity of health funds and make sure that these are used for health-care services, especially for the poor. Had PhilHealth used these funds to expand its services to benefit the sick and the needy, then there would be nothing to transfer and be used for other purposes. Unless PhilHealth explains why it failed to use the subsidy, the blame for this fund transfer controversy falls squarely on itself.