



Republic of the Philippines
Province of Bohol
MUNICIPALITY OF LOON

OFFICE OF THE SANGGUNIANG BAYAN

EXCERPTS FROM THE MINUTES OF THE 125th REGULAR SESSION OF THE 10TH SANGGUNIANG BAYAN OF LOON, PROVINCE OF BOHOL HELD ON THE 23rd DAY OF NOVEMBER 2009 AT THE SANGGUNIANG BAYAN SESSION HALL -

PRESENT:

Hon. Josephat B. Palma,	SB Member, Acting Presiding Officer
Hon. Edwin R. Ladeza,	Vice-Mayor
Hon. Ricky U. Masamayor,	SB Member
Hon. Manuel R. Veloso,	SB Member
Hon. Damaso C. Pasilbas,	SB Member
Hon. Timoteo L. Legitimas,	SB Member
Hon. Ignacio M. Castil, Jr.,	SB Member
Hon. Priscila C. Branzuela,	SB Member
Hon. Narciso B. Neri,	SB Member
Hon. Cesar R. Pedrigal,	LnB President, Ex Officio Member
Hon. Ivaraxel C. Ericson,	SKMF President, Ex Officio Member

ABSENT:

None

MUNICIPAL ORDINANCE NO. 09-008
Series of 2009

AN ORDINANCE CREATING A PHILHEALTH CAPITATION FUND FROM THE PROCEEDS OF THE OUTPATIENT CONSULTATION AND DIAGNOSTIC BENEFIT PACKAGE TO BE PROVIDED BY THE PHILIPPINE HEALTH INSURANCE CORPORATION (PhilHealth) FOR THE QUALIFIED INDIGENT FAMILIES OF THE MUNICIPALITY OF LOON, PROVINCE OF BOHOL, UNDER THE INDIGENT SECTOR COMPONENT OF THE NATIONAL HEALTH INSURANCE PROGRAM (NHIP)

Be it enacted by the 10th Sangguniang Bayan of Loon, Bohol in session duly assembled:

WHEREAS, the Philippine Constitution declares as a State policy to provide its territorial and political subdivisions genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and as effective partners in the attainment of national goals;

WHEREAS, the State likewise declares that the vesting of duty, responsibility and accountability in local government units (LGUs) shall be accompanied with the provision for reasonably adequate resources to effectively carry out their functions;

WHEREAS, in the pursuit of these constitutional mandates, Congress has mandated the implementation of the Indigent Sector Component of the National Health Insurance Program (NHIP) or the Sponsored Program;

WHEREAS, this priority program is aimed at “setting into motion a meaningful health care financing and delivery mechanism anchored on local government”;

WHEREAS, the Indigent Sector Component of the NHIP provides a mechanism to identify the qualified indigent families and to grant them membership through full or partial government subsidies, thus enabling them access to medical service in all NHIP accredited providers;

WHEREAS, the 10th Sangguniang Bayan of the Municipality of Loon, Province of Bohol, considers the beneficent features of RA 7875 as amended by RA 9241 as it will vastly improve the overall health status of the population and ultimately their general quality of life and rationalize the LGU-Loon’s expenditure for health, collectively agreed to adopt the National Health Insurance Program of the National Government;

WHEREAS, the creation of a PhilHealth Capitation Fund (PCF) is necessary to attain the purpose and objectives of the Sponsored Program;

NOW, THEREFORE, BE IT ORDAINED by the Sangguniang Bayan of the Municipality of Loon, Province of Bohol, in session assembled, that:

SECTION 1. TITLE. - This Ordinance shall be known as ORDINANCE CREATING A PHILHEALTH CAPITATION FUND FROM THE PROCEEDS OF THE OUTPATIENT CONSULTATION AND DIAGNOSTIC BENEFIT PACKAGE TO BE PROVIDED BY THE PHILIPPINE HEALTH INSURANCE CORPORATION (PhilHealth) FOR THE QUALIFIED INDIGENT FAMILIES OF THE MUNICIPALITY OF LOON, PROVINCE OF BOHOL, UNDER THE INDIGENT SECTOR COMPONENT OF THE NATIONAL HEALTH INSURANCE PROGRAM (NHIP)

SECTION 2. AUTHORITY AND PURPOSE. - Article II, Section 15 of the 1987 Philippine Constitution provides that, *“the State shall protect and promote the right to health of the people and to instill health consciousness among them”* while Section II, Article states that *“the State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other services available to all people at affordable cost”*. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women, and children shall be recognized. Likewise, it shall be the policy of the State to provide free medical care to paupers.

SECTION 3. DEFINITION OF TERMS. - For the purpose of this Ordinance, the terms set below shall have their meanings indicated, to wit:

- 3.1. National Health Insurance Program (NHIP) - refers to the compulsory health insurance program of the government instituted under Republic Act No. 7875 which aims to implement a universal health insurance system and provide universal access to affordable, acceptable, efficient and effective health care services for all citizens of the Philippines. NHIP is alternatively known as the Medicare Program, established under Republic Act 6111.
- 3.2. Sponsored Program - refers to the Indigent Sector Component of NHIP. It is the tool by which State envisions to provide Medicare privileges to the indigent population, as a supplement to its Medicare Program for the employed and individually-paying sectors.

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- 3.3. Health Center / Rural Health Unit (RHU) - refers to the health unit or health center owned, administered, managed and financed by the LGU, which is either attached to or directly supervised by the Office of the Municipal Health Officer. Health centers and rural health units are used alternatively and interchangeably in this Agreement.
- 3.4. Outpatient Consultation and Diagnostic Package (Phase II) - refers to the primary consultation and diagnostic services which are included in the Program's benefit package and administered, managed and/or delivered by RHUs/Health Centers.
- 3.5. Capitation - refers to the scheme or form of paying the RHU for specific services. It provides for a particular period which is arrived and based on pre-determined criteria under the condition that any savings from the agreed amount accrues to the benefit of the RHU and that in case of insufficiency thereof, the particular services due to the covered beneficiaries shall be delivered at the cost of the RHU.

SECTION 4. SCOPE AND APPLICATION. - This ordinance implements the Outpatient Consultation and Diagnostic Package (Phase II) of the National Health Insurance Program.

SECTION 5. SPECIFIC GUIDELINES ON THE DISPOSITION OF THE PHILHEALTH CAPITATION FUND. - The use, management, and disposition of the PCF shall be governed by the following rules:

- 5.1. The disbursement and liquidation of the PCF shall be in accordance with pertinent government accounting and auditing rules and regulations and to be audited by the local COA Auditors;
- 5.2. A separate book of accounts shall be maintained by the LGU of Loon for the purpose;
- 5.3. The following may be charged to PCF:
 - 5.3.1. All drugs listed in the Philippine National Drug Formulary (PNDF);
 - 5.3.2. Equipment and supplies necessary/related to carry out the delivery of required services including but not limited to medical equipment and supplies, furniture and fixtures, appliances, office equipment, consumables and supplies;
 - 5.3.3. Site improvement of health facility;
 - 5.3.4. Referral fees for diagnostic services; and
 - 5.3.5. Administrative cost;
- 5.4. The twenty percent (20%) mandatory provision for administrative cost shall be released to the Municipality with accredited RHUs/Health Centers. It shall be divided as follows:

- 5.4.1. Fifty percent (50%) shall accrue to the physician/s;
 - 5.4.2. Twenty five percent (25%) shall accrue to the other RHU personnel directly involved in the provision of services required hereof; and
 - 5.4.3. The remaining twenty-five (25%) shall be utilized for other administrative cost such as office supplies, transportation expenses, etc.
- 5.5. Eighty percent (80%) of the total capitation fund shall be held in trust by the LGU of Loon in accordance with the following:
- 5.5.1. The amount shall be utilized for bulk procurement of drugs and medicines listed in the PNDF and medical equipment and supplies based on the need assessment / requisition issue voucher (RIV) submitted by the accredited RHUs/Health Centers to the LGU of Loon;
 - 5.5.2. PNDF drugs and medicines purchased under the preceding section shall be released to the RHUs/Health Centers by the LGU of Loon as maybe deemed necessary, preferably on a regular basis;
 - 5.5.2. For accounting purposes, the price of drugs, medicines, equipment and supplies charged against the PCF of the LGU of Loon shall be at its actual cost or winning bid price;
- 5.6. PhilHealth, through its Accreditation Department, shall approve the acquisition and usage of new medical technological equipment, devices and modalities of treatment consistent with actual needs and current standards of medical practice and ethics with national health objectives after assessing the advantage and appropriateness of such purchase.

SECTION 6. ENFORCEMENT AGENCY. - To assure compliance and enforcement of this Ordinance, the Municipal Health Officer, the Sangguniang Bayan, and the Municipal Treasurer of the LGU of Loon are required to perform their functions and tasks as provided herein.

SECTION 7. SEPARABILITY CLAUSE. - Should any part or provision of this Ordinance be declared unconstitutional by any court of competent jurisdiction, the remaining provisions not affected thereby, shall remain valid and effective.

SECTION 8. REPEALING CLAUSE. - All other ordinance or parts thereof that are inconsistent with any provisions of this Ordinance are hereby amended, modified, and repealed accordingly.

SECTION 9. EFFECTIVITY. - This Ordinance shall take effect after publication in newspaper of general circulation or posted at the conspicuous place in the Municipality.

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Further, as a requirement sine qua non for effectivity, a copy of the Ordinance shall be furnished to the following personalities, namely, Her Excellency Gloria Macapagal - Arroyo, President of the Republic of the Philippines, and Rey B. Aquino, President and Chief Executive Officer of the Philippine Health Insurance Corporation, for their information

UNANIMOUSLY APPROVED.

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I hereby certify to the correctness of the above-quoted ordinance.

JOSEPHAT B. PALMA
SB Member
Acting Presiding Officer

ATTESTED:

FIDELINO P. CORITICO, LIB
Secretary to the Sanggunian

NOTED:

EDWIN R. LADEZA
Vice - Mayor

APPROVED:

LLOYD PETER M. LOPEZ, M.D.
Municipal Mayor

Date: _____