

EN BANC

G.R. No. 274778 – AQUILINO PIMENTEL III; ERNESTO OFRACIO; JANICE LIRZA MELGAR; MARIA CIELO MAGNO; MA. DOMINGA CECILIA B. PADILLA; DANTE B. GATMAYTAN; IBARRA M. GUTIERREZ; SENTRO NG MGA NAGKAKAISA AT PROGRESIBONG MANGGAGAWA; PUBLIC SERVICES LABOR INDEPENDENT CONFEDERATION FOUNDATION, INC., and PHILIPPINE MEDICAL ASSOCIATION, Petitioners, ATTY. JOSE SONNY MATULA, President of the Federation of Free Workers (FFW-NAGKAISA LABOR COALITION); DANIEL EDRALIN, Secretary General, National Union of Workers in Hotel Restaurant and Allied Industries (NUWHRAIN-NAGKAISA); RENATO MAGTUBO, Chairperson, Partido Manggagawa (PM-NAGKAISA); JULIUS CAINGLET, CHURCH-LABOR CONFERENCE, GRACE A. ESTRADA, President, Pinay Careworkers Transnational (PIN@Y); ALFREDO MARANAN, FFW National Treasurer; JUN RAMIREZ MENDOZA, Union President, Vishay Employees Philippines Union-FFW and National Vice President, FFW; JUDY ANN CHAN MIRANDA, Chairperson, Nagkaisa Women Committee, General Secretary, PM-NAGKAISA; VILMA G. REYES, Union President, Dela Salle Medical and Health Sciences Institute Employees Union-FFW, National Board Member, FFW; RENE L. CAPITA, National President, Alliance of Filipino Workers (AFW); ELIJA R. SAN FERNANDO, National Vice President, National Federation of Labor (NFL); RENE DE MESA TADLE, President of the Council of Teachers and Staff of Colleges and Universities of the Philippines (CoTeSCUP); EMERITO C. GONZALES, Union President UST Faculty Union (USTFU); DENNIS GUTIERREZ, Union President, Interphil Laboratories Employees Union-FFW (ILEU-FFW); ROLANDO LIBROJO, Convenor; Kilusang Artikulo 13 (A.13); and ATTY. DANILO C. ISIDERIO, FFW Legal Center, Petitioners-in-intervention, v. HOUSE OF REPRESENTATIVES, represented by SPEAKER FERDINAND MARTIN ROMUALDEZ; SENATE OF THE REPUBLIC OF THE PHILIPPINES, represented by SENATE PRESIDENT FRANCIS ESCUDERO; DEPARTMENT OF FINANCE SECRETARY RALPH RECTO; EXECUTIVE SECRETARY LUCAS BERSAMIN; and PHILIPPINE HEALTH INSURANCE CORPORATION, represented by its President EMMANUEL R. LEDESMA, JR., Respondents;

G.R. No. 275405 – BAYAN MUNA CHAIRMAN NERI COLMENARES, BAYAN MUNA VICE CHAIRMAN TEODORO A. CASIÑO, BAYAN MUNA EXECUTIVE VICE PRESIDENT CARLOS ISAGANI T. ZARATE, and FORMER BAYAN MUNA REPRESENTATIVE FERDINAND R. GAITE, Petitioners, v. PRESIDENT FERDINAND ROMUALDEZ MARCOS, EXECUTIVE SECRETARY LUCAS P. BERSAMIN, SENATE OF THE PHILIPPINES, and THE HOUSE OF REPRESENTATIVES, Respondents; and

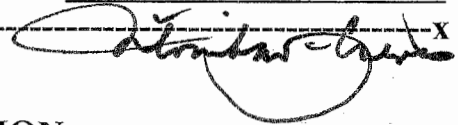


G.R. No. 276233 – 1SAMBAYAN COALITION; MEMBERS OF U.P. LAW CLASS 1975 namely: **JOSE P.O. ALILING IV, AUGUSTO H. BACULIO, EDGARDO R. BALBIN, MOISES B. BOQUIA, ANTONIO T. CARPIO, MANUEL C. CASES, JR., RICHARD J. GORDON, OSCAR L. KARAAN, BENJAMIN L. KALAW, LUCAS C. LICREIO, TOMAS N. PRADO, ELIZER A. ODULIO, OSCAR M. ORBOS, AURORA A. SANTIAGO, EMILY SIBULO-HAYUDINI, CONRAD D. SORIANO, and JOSE B. TOMIMBANG; FORMER OMBUDSMAN CONCHITA CARPIO MORALES; SENIOR FOR SENIORS ASSOCIATION, INC.,** represented by **MS. CAROL BLANCO BENAVIDES; KIDNEY FOUNDATION OF THE PHILIPPINES,** represented by **ATTY. VICENTE GREGORIO; and ATTY. CHRISTOPHER JOHN P. LAO,** Petitioners, v. **HOUSE OF REPRESENTATIVES,** represented by **SPEAKER FERDINAND MARTIN ROMUALDEZ; SENATE OF THE REPUBLIC OF THE PHILIPPINES,** represented by **Senate President; DEPARTMENT OF FINANCE SECRETARY RALPH RECTO; EXECUTIVE SECRETARY LUCAS BERSAMIN; and PHILIPPINE HEALTH INSURANCE CORPORATION,** represented by its President, **EMMANUEL R. LEDESMA, JR.,** Respondents.

Promulgated:

December 3, 2025

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SEPARATE OPINION

LEONEN, S.A.J.:

Holistic health care is not a privilege. It is a human right. It is a fundamental component of good governance. Without sufficient funding from public funds, health becomes an exclusive domain for the rich.

I concur that Special Provision 1(d) in Chapter XLIII of the 2024 General Appropriations Act is unconstitutional because it is a rider.

I add that the increase in the unprogrammed appropriations, which results in the increase in the entire expenditure program proposed by the president by PHP 449.5 billion, is unconstitutional.

I likewise add that the presidential certification of urgency is also unconstitutional. It was this presidential certification of urgency that enabled Congress to approve the bicameral conference committee report on the entire



proposed General Appropriations Act of 2024 on the same day it was delivered to all members of Congress.

Congress has the power of appropriation¹ and, in doing so, frames the expenditure program of government. However, it cannot exercise its power in a way that violates the Constitution.

In my view, it is not only the General Provision in the section on unprogrammed funds, nor the increase in unprogrammed funds, that are unconstitutional. *The entire General Appropriations Act of 2024 is unconstitutional. Therefore, the General Appropriations Act of 2023, by virtue of Article VI, Section 25(7) of the Constitution,² should have been reenacted.*

I explain these disagreements first before my agreement with the erudite *ponencia*.

I

The *ponencia* correctly clarifies that while the decision to certify a bill as urgent is a matter of executive policy, the Court is not precluded from determining whether the president committed grave abuse of discretion in doing so, pursuant to the Court's expanded power of judicial review.³ *However, with deep respect to the ponencia's determination, I submit that the president's certification of the urgency of House Bill No. 8980⁴ is tainted with grave abuse of discretion.*

Article VI, Section 26(2) of the Constitution prescribes how a bill is passed into law:

.....

(2) No bill passed by either House shall become a law unless it has passed three readings on separate days, and printed copies thereof in its final form have been distributed to its Members three days before its passage, *except when the President certifies to the necessity of its immediate enactment to meet a public calamity or emergency.* Upon the last reading of a bill, no

¹ CONST., art. VI, sec.29(1) provides:

No money shall be paid out of the Treasury except in pursuance of an appropriation made by law.

² CONST., art. VI, sec. 25(7) provides:

(7) If, by the end of any fiscal year, the Congress shall have failed to pass the general appropriations bill for the ensuing fiscal year, the general appropriations law for the preceding fiscal year shall be deemed reenacted and shall remain in force and effect until the general appropriations bill is passed by the Congress.

³ *Ponencia*, p. 47.

⁴ House Bill No. 8980 (2023), 19th Congress, Second Regular Session, An Act Appropriating Funds for the Operation of the Government of the Republic of the Philippines from January One to December Thirty-One, Two Thousand and Twenty-Four.

amendment thereto shall be allowed, and the vote thereon shall be taken immediately thereafter, and the yeas and nays entered in the Journal. (Emphasis supplied)

Under the provision, the general procedure in enacting a law requires that the readings of the bill be made on three separate days and that the bill in its final form be distributed three days before its passage. However, an exception in which this procedure can be dispensed with is when the president certifies a bill as urgent to meet a public calamity or emergency.⁵

In *Tolentino v. Secretary of Finance*,⁶ the Court discussed the two-fold purpose for the requirement of three readings on separate days: “(1) to inform the members of Congress of what they must vote on and (2) to give them notice that a measure is progressing through the enacting process, thus enabling them and others interested in the measure to prepare their positions with reference to it.”⁷ The Court also explained the justification of the exception:

The exception is based on the prudential consideration that if in all cases three readings on separate days are required and a bill has to be printed in final form before it can be passed, the need for a law may be rendered academic *by the occurrence of the very emergency or public calamity which it is meant to address*.⁸ (Emphasis supplied)

In *Kida v. Senate of the Philippines*,⁹ the Court sustained the president’s certification for the immediate enactment of Republic Act No. 10153, a law synchronizing the Autonomous Region in Muslim Mindanao (ARMM) elections with the national and local elections. The Court also held that the president’s certification of urgency was justified as the Constitution itself mandates the synchronization of national and local elections, which include the ARMM elections.¹⁰ Further, in that case, the president issued the certification of urgency on March 14, 2011, a few months before the impending ARMM elections on August 8, 2011, based on “the need to protect and strengthen ARMM’s autonomy . . . to ensure that the on-going peace talks in the region will not be hindered, and to provide a mechanism to institutionalize electoral reforms.”¹¹

In *Calleja v. Executive Secretary*,¹² the Court upheld the president’s certification for the immediate enactment of Republic Act No. 11479 or the Anti-Terrorism Act of 2020. The Court explained: “[T]he constant threat of terrorism, as one of the biggest menaces to national security, definitely

⁵ CONST., art. VI, sec. 26(2).

⁶ 319 Phil. 755 (1995) [Per J. Mendoza, *En Banc*].

⁷ *Id.* at 781.

⁸ *Id.* at 780–781.

⁹ 675 Phil. 316 (2011) [Per J. Brion, *En Banc*].

¹⁰ *Kida v. Senate of the Philippines*, 683 Phil. 198, 213 (2012) [Per J. Brion, *En Banc*].

¹¹ *Id.* at 351.

¹² 918-B Phil. 1 (2021) [Per J. Carandang, *En Banc*].

constitutes as an emergency which the State needs to address immediately.”¹³ It added that “the President’s determination of the existence of an ‘emergency’ or ‘public calamity’ is fundamentally dependent on the exigencies of each circumstance.”¹⁴

In this case, the president certified as urgent the enactment of House Bill No. 8980 “[i]n order to address the need to maintain continuous government operations following the end of the current fiscal year (FY), to expedite the funding of various program, projects, and activities for FY 2024, and to ensure budgetary preparedness that will enable the government to effectively perform its Constitutional mandate.”¹⁵

The *ponencia* held that the president did not commit grave abuse of discretion when he certified House Bill No. 8980 as urgent. It explained that the passage of a general appropriations law for 2024 was necessary and urgent “in order to achieve the ever-shifting development goals and address the ever-evolving internal and external concerns of the country.”¹⁶

I disagree.

Public calamity or emergency contemplates an event, whether natural or human-made, which is unforeseeable. It is an event that cannot be reasonably predicted or anticipated. *The passage of the General Appropriations Act is not unforeseeable as it is done every year by Congress. It is a piece of legislation that is expected from Congress annually.*

The importance of the constitutionally mandated process in the enactment of a law—three readings on separate days and a final copy distributed three days before—is underscored in the passage of the general appropriations bill, which involves trillions of pesos of public funds. There must be opportunity for members of both Houses of Congress to rigorously scrutinize and deliberate the bill and intelligently approve it. Hence, Article VI, Section 25(7) provides for the automatic reenactment of the previous general appropriations law when the ensuing year’s appropriations bill is not passed on time. This is on the premise that the previous appropriations law has already been thoroughly considered and approved by both Houses of Congress.

Thus, *government operations would not be impeded in the event Congress fails to pass a general appropriations bill for the ensuing fiscal year as there exists a built-in safeguard in the Constitution: The general appropriations law for the preceding fiscal year shall be deemed reenacted*

¹³ *Id.* at 270.

¹⁴ *Id.* at 269.

¹⁵ Annex D of the Petition for *Certiorari* and Prohibition in G.R. No. 275405.

¹⁶ *Ponencia*, p. 48.

and shall remain in force and effect until the general appropriations bill is passed by Congress. Indeed, this has already been done on several occasions—the 2000 General Appropriations Act was reenacted in 2001, the 2003 General Appropriations Act in 2004, and the 2005 General Appropriations Act in 2006.¹⁷

Consequently, the president's certification of urgency did not warrant the immediate enactment of House Bill No. 8980 as the circumstances of the case reveal that no public calamity or emergency existed at that time.

While both the House of Representatives and the Senate accepted the president's certification, the Court is not bound by their acceptance given that the president committed grave abuse of discretion in issuing the certification. Constitutional standards on legislative processes are in place to ensure that bills are thoroughly considered by members of Congress.

However, notwithstanding the foregoing, and looking at the timeframe—first reading in the House on September 4, 2023 and second and third readings on September 27, 2023 (23 days); the bill was then transmitted to the Senate on November 4, 2023 and was tackled on first reading on November 6, 2023 and on second and third readings on November 28, 2023 (22 days)—the House and the Senate had sufficient time to review the appropriations bill. It was rather in the bicameral conference committee, which took only eight days (first and second meetings on November 28 and December 6, 2023, respectively) to make significant additional insertions, that everything was hastily done. ***On December 11, 2023, the bicameral conference committee report was submitted to both the House and the Senate, which was approved on the same day.***

The bicameral conference committee report reflected an increase in the amount of unprogrammed appropriations by PHP 449.5 billion and inserted Special Provision 1(d), under Chapter XLIII on unprogrammed appropriations.¹⁸ Notably, there were members of the bicameral conference committee from the Senate who did not sign the report, namely Senator Grace Poe, Senator Francis N. Tolentino, and Senator Mark A. Villar. Conferees on the part of the House of Representatives all signed.¹⁹ The pertinent amendments of House Bill No. 8980 recommended in the bicameral conference committee report²⁰ are reproduced below:

¹⁷ See *Belgica v. Ochoa*, 721 Phil. 416 (2013) [Per J. Perlas-Bernabe, *En Banc*]. See also Department of Budget and Management, Reenacted Budget (2019), available at https://www.dbm.gov.ph/wp-content/uploads/Our%20Budget/2019/3_Reenacted_Budget.pdf (last accessed on September 12, 2025).

¹⁸ Memorandum of Petitioners in G.R. No. 275405, pp. 4–5.

¹⁹ Annex E of the Petition for *Certiorari* and Prohibition in G.R. No. 275405, p. 14.

²⁰ *Id.* at. 1–12. The amounts in the table are in thousand pesos.

Department/Agency/ Corporation/Fund	FY 2024 GENERAL APPROPRIAT IONS BILL (HB NO. 8980)	INCREAS E	(DECREA SES)	NET CHANGE	FY 2024 GENERAL APPROPRIAT IONS BILL (BICAM REPORT)
I. CONGRESS OF THE PHILIPPINES	28,426,484	15,040,07 7	(2,000)	15,038,0 77	43,464,561
II. OFFICE OF THE PRESIDENT	10,645,573	-	-	-	10,645,573
III. OFFICE OF THE VICE-PRESIDENT	1,874,019	-	-	-	1,874,019
IV. DEPARTMENT OF AGRARIAN REFORM	8,894,558	-	(813,491)	(813,491)	8,081,067
V. DEPARTMENT OF AGRICULTURE	128,002,234	21,757,71 4	(38,072,190)	(16,314,4 76)	111,687,758
VI. DEPARTMENT OF BUDGET AND MANAGEMENT	2,411,145	90,000	-	90,000	2,501,145
VII. DEPARTMENT OF EDUCATION	714,583,419	3,836,063	(756,004)	3,080,05 9	717,663,478
VIII. STATE UNIVERSITIES AND COLLEGES	102,347,313	27,028,80 9	(1,145,000)	25,883,8 09	128,231,122
IX. DEPARTMENT OF ENERGY	1,639,160	23,000	-	23,000	1,662,160
X. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES	24,846,827	1,825,468	(1,378,568)	446,900	25,293,727
XI. DEPARTMENT OF FINANCE	24,715,122	51,000	(838,820)	(787,820)	23,927,302
XII. DEPARTMENT OF FOREIGN AFFAIRS	23,823,556	767,642	-	767,642	24,591,198
XIII. DEPARTMENT OF HEALTH	239,122,878	10,678,13 6	(8,198,201)	2,479,93 5	241,602,813
XIV. DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT	3,197,720	654,440	(544,640)	109,800	3,307,520
XV. DEPARTMENT OF INFORMATION AND COMMUNICATION S TECHNOLOGY	6,980,812	1,604,288	(1,670,235)	(65,947)	6,914,865
XVI. DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT	261,156,467	3,203,532	(710,000)	2,493,53 2	263,649,999
XVII. DEPARTMENT OF JUSTICE	34,394,468	1,834,286	-	1,834,28 6	36,228,754
XVIII. DEPARTMENT OF LABOR AND EMPLOYMENT	68,015,971	4,189,726	(10,937,229)	(6,747,50 3)	61,268,468
XIX. DEPARTMENT OF MIGRANT WORKERS	12,752,923	651,200	(3,507,951)	(2,856,75 1)	9,896,172
XX. DEPARTMENT OF NATIONAL DEFENSE	229,934,819	8,421,725	-	8,421,72 5	238,356,544
XXI. DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS	822,892,746	353,955,5 46	(180,056,60 8)	173,898, 938	996,791,684

XXII. DEPARTMENT OF SCIENCE AND TECHNOLOGY	25,660,309	1,254,704	-	1,254,704	26,915,013
XXIII. DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT	245,130,234	43,832,925	(41,114,818)	2,718,107	247,846,341
XXIV. DEPARTMENT OF TOURISM	2,939,155	800,560	(300,000)	500,560	3,439,715
XXV. DEPARTMENT OF TRADE AND INDUSTRY	7,952,482	727,736	(42,000)	685,736	8,638,218
XXVI. DEPARTMENT OF TRANSPORTATION	170,514,821	9,861,422	(107,045,574)	(97,184,152)	73,330,669
XXVII. NATIONAL AND ECONOMIC DEVELOPMENT AUTHORITY	11,710,955	240,422	-	240,422	11,951,377
XXVIII. PRESIDENTIAL COMMUNICATIONS OFFICE	1,711,559	563,631	-	563,631	2,275,190
XXIX. OTHER EXECUTIVE OFFICES	68,945,033	4,391,702	(10,908,663)	(6,417,961)	62,527,072
XXX. THE JUDICIARY	56,490,726	2,387,366	-	2,387,366	58,878,092
XXXI. CIVIL SERVICE COMMISSION	2,043,537	188,138	-	188,138	2,231,675
XXXII. COMMISSION ON AUDIT	12,724,677	1,005,693	-	1,005,693	13,730,370
XXXIII. COMMISSION ON ELECTIONS	27,133,801	13,000,000	(30,000)	12,970,000	40,103,801
XXXIV. OFFICE OF THE OMBUDSMAN	5,034,721	500,000	-	500,000	5,534,721
XXXV. COMMISSION ON HUMAN RIGHTS	971,190	11,500	(3,000)	8,500	979,690
XXXVI. BUDGETARY SUPPORT TO GOVERNMENT CORPORATIONS	230,765,685	18,160,621	(60,696,353)	(42,535,732)	188,229,953
XXXVII. ALLOCATIONS TO LOCAL GOVERNMENT UNITS	56,439,838	10,920,590	(7,980,000)	2,940,590	69,380,428
XXXVIII. CONTINGENT FUND	13,000,000	-	-	-	13,000,000
XXXIX. MISCELLANEOUS PERSONNEL BENEFITS FUND	65,734,429	-	(36,057,317)	(36,057,317)	29,677,112
XL. NATIONAL DISASTER RISK REDUCTION AND MANAGEMENT FUND	21,000,000	1,000,000	(1,500,000)	(500,000)	20,500,000
XLI. PENSION AND GRATUITY FUND	183,206,826	-	(40,250,000)	(40,250,000)	142,956,826
XLII. REVISED AFP MODERNIZATION PROGRAM	50,000,000	-	(10,000,000)	(10,000,000)	40,000,000
TOTAL PROGRAMMED NEW APPROPRIATIONS	4,019,768,192	564,459,662	(564,459,662)	-	4,019,768,192

XLIII. UNPROGRAM MED APPROPRIATIONS	281,908,056	449,540,510	-	449,540,510	731,448,566
TOTAL NEW APPROPRIATIONS	4,301,676,248	1,014,000,172	(564,459,662)	449,540,510	4,751,216,758

The amounts in the bicameral conference committee report were eventually reflected in the enacted 2024 General Appropriations Act. The magnitude of the changes done by the bicameral conference committee on House Bill No. 8980—which contained mostly the same amounts as identified by the president in the National Expenditure Program including the amount of unprogrammed appropriations—would have merited a more careful perusal from the members of Congress.

While there is a presumption of regularity in the performance of official duties, it is hard to envision how members of Congress could have effectively examined and approved all of these changes on the same day the report was submitted to them. It is also noteworthy that the amendments made, consisting of the realignment of funds in the programmed appropriations and the increase in the amount of unprogrammed appropriations by the bicameral conference committee, involved 43 departments, agencies, and funds of the government, each one having a different function and purpose in government operations. The bicameral conference committee report even further detailed sub-categories from most of them. Consequently, the *same-day* submission and approval of the report is hardly enough time for Congress to consider and prepare their positions on the recommended amendments. It must be emphasized that the budget, in its entirety, consists of more than 2,000 lines of appropriation. These hasty approvals of the budget empower only a few in the leadership of the House of Representatives and the Senate, denying scrutiny on the part of the majority and minority of both Houses.

The presidential certification of urgency should always be properly supported with the specific emergency or public calamity it aims to address, as well as the reason such emergency or public calamity requires the immediate enactment of a bill. As correctly argued by petitioners Colmenares et al., “the process for the enactment of the [General Appropriations Act] does not lend itself to short-cuts, especially considering that it pertains to public funds amounting to trillions of pesos.”²¹ There must be a reasonable period of time given to members of Congress for them to effectively review the voluminous documents referred to in the budget process. A thorough consideration must be made to these documents to ensure that public funds are properly allocated and accounted for.

Indeed, this Court’s declaration of the unconstitutionality of Special Provision 1(d), Chapter XLIII of the 2024 General Appropriations Act confirms the importance of adherence to the legislative process, allowing

²¹ Memorandum of Petitioners in G.R. No. 275405, p. 29.

sufficient time for Congress to study a proposed bill carefully and each of its provision.

II

Congress's increase of the unprogrammed appropriations by PHP 449.5 billion violates Article VI, Section 25(1) of the 1987 Constitution, which prohibits Congress from increasing the "appropriations recommended by the President for the operation of the Government as specified in the budget."

The constitutional instruction that "the form, content[,] and manner of preparation of the budget shall be prescribed by law"²² is actualized in Book VI, Chapter 3 of Executive Order No. 292 or the Administrative Code of 1987. Specific to the form and content of the budget, Section 12 of Chapter 3 provides:

SECTION 12. *Form and Content of the Budget.* — The budget proposal of the President shall include current operating expenditures and capital outlays. It shall comprise such funds as may be necessary for the operation of the programs, projects and activities of the various departments and agencies. *The proposed General Appropriations Act and other Appropriations Acts necessary to cover the budget proposals shall be submitted to the Congress to accompany the President's budget submission.*

The budget shall be presented to the Congress in such form and content as may be approved by the President and may include the following:

- (1) A budget message setting forth in brief the government's budgetary thrusts for the budget year, including their impact on development goals, monetary and fiscal objectives, and generally on the implications of the revenue, expenditure and debt proposals; and
- (2) Summary financial statements setting forth:
 - (a) Estimated expenditures and proposed appropriations necessary for the support of the Government for the ensuing fiscal year, including those financed from operating revenues and from domestic and foreign borrowings;
 - (b) Estimated receipts during the ensuing fiscal year under laws existing at the time the budget is transmitted and under the revenue proposals, if any, forming part of the year's financing program;
 - (c) Actual appropriations, expenditures, and receipts during the last completed fiscal year;

²² CONST., art. VI, sec. 25(1).

- (d) Estimated expenditures and receipts and actual or proposed appropriations during the fiscal year in progress;
- (e) Statements of the condition of the National Treasury at the end of the last completed fiscal year, the estimated condition of the Treasury at the end of the fiscal year in progress and the estimated condition of the Treasury at the end of the ensuing fiscal year, taking into account the adoption of financial proposals contained in the budget and showing, at the same time, the unencumbered and unobligated cash resources;
- (f) Essential facts regarding the bonded and other long-term obligations and indebtedness of the Government, both domestic and foreign, including identification of recipients of loan proceeds; and
- (g) Such other financial statements and data as are deemed necessary or desirable in order to make known in reasonable detail the financial condition of the government. (Emphasis supplied)

The national budget is formulated “within the totality of revenues and other receipts, expenditures[,] and borrowings” of all units of government, including the national government and its agencies and instrumentalities, local government units, and government-owned or -controlled corporations. It reflects national objectives and plans and is geared toward attaining socio-economic objectives.²³

Amicus Curiae Zy-za Nadine Suzara explains the budget preparation process. Each department or agency of the national government (i) formulates its budget proposals based on the approved fiscal program, ensuring alignment to the development priorities of the president and the national plans and programs; and (ii) submits these proposals to the Department of Budget and Management (DBM).²⁴ Book VI, Chapter 3, Section 14 of the Administrative Code of 1987 enumerates the information included in these agency budget proposals:

- (1) Objectives, functions, activities, programs and projects showing the general character and relative importance of the work to be accomplished or the services to be rendered, and the principal elements of cost involved;
- (2) Linkage of the work and financial proposals to approved development plans;
- (3) Estimated current operating expenditures and capital outlays, with comparative data for the preceding and current budget years;

²³ REV. ADM. CODE, Book IV, Title XVII, Chap. 1, sec. 1; Book VI, Chap. 2, sec. 3.

²⁴ Brief of *Amicus Curiae* Zy-za Nadine N. Suzara dated January 23, 2024, p. 3.

- (4) Identification by region, pursuant to policies on the regionalization of government operations;
- (5) Financial sources, reflecting all revenues, proceeds of foreign and domestic borrowings, and other sources, particularly those which accrue to the General Fund;
- (6) Contingent liabilities, including national government guarantees of obligations of government-owned or controlled corporations and their subsidiaries;
- (7) Brief description of the major thrusts and priority programs and projects for the budget year, results expected for each budgetary program and project, the nature of work to be performed, estimated costs per unit of work measurement, including the various objects of expenditure for each project;
- (8) Organization charts and staffing patterns indicating the list of existing and proposed positions with corresponding salaries, and proposals for position classification and salary changes, duly supported by adequate justification.

Technical budget hearings follow for the evaluation of these agency budget proposals,²⁵ after which, the proposals are consolidated and presented to the president for approval. After the president has approved the budget and thereafter confirmed by the heads of departments and agencies, these are consolidated into the National Expenditure Program and the Budget of Expenditure and Sources of Financing. The National Expenditure Program and the Budget of Expenditure and Sources of Financing will then be submitted by the president to Congress.²⁶

Indeed, pursuant to Article VII, Section 22²⁷ of the 1987 Constitution, the president's proposed annual budget is submitted in the form of the Budget of Expenditure and Sources of Financing, supported by details of proposed expenditures in the form of the National Expenditure Program and the president's Budget Message, which summarizes the budget policy thrusts and priorities for the year. These budget documents are read as one integrated whole. They are interrelated, and the figures indicated therein are consistent with each other and support the president's proposed annual budget. Hence, the Office of the Solicitor General's (OSG) contentions that the

²⁵ REV. ADM. CODE, Book VI, Chap. 3, sec. 16 provides:

SECTION 16. *Budget Evaluation.* — Agency proposals shall be reviewed on the basis of their own merits and not on the basis of a given percentage or peso increase or decrease from a prior year's budget level, or other similar rule of thumb that is not based on specific justification. Proposed activities, whether new or ongoing, shall be evaluated using a zero-base approach and on the basis of (1) relationship with the approved development plan, (2) agency capability as demonstrated by past performance, (3) complementary role with related activities of other agencies, and (4) other similar criteria. The realization of savings in a given budget year and the consequent non-utilization of funds appropriated or released to a given agency shall not be a negative factor in the budget evaluation for a subsequent year.

²⁶ Brief of *Amicus Curiae* Zy-za Nadine N. Suzara dated January 23, 2024, p. 3.

²⁷ CONST., art VII, sec. 22 provides: The President shall submit to the Congress within thirty days from the opening of every regular session, as the basis of the general appropriations bill, a budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures.

unprogrammed appropriations is not part of the national government expenditures in the Budget of Expenditure and Sources of Financing; and that the National Expenditure Program, which contains the unprogrammed appropriations, does not reflect the sources of financing mandated by the Constitution, are untenable. It treats these budget documents separately, as if they were completely different.

At any rate, whether we look at the National Expenditure Program or the Budget of Expenditure and Sources of Financing, the appropriations recommended by the president are the same:

	National Expenditure Program ²⁸	Budget of Expenditure and Sources of Financing ²⁹
Programmed General Appropriations	4,019.8 billion ³⁰	4,019.8 billion
Unprogrammed Appropriations	281.9 billion ³¹	281.9 billion
Automatic Appropriations	1,747.8 billion ³²	1,747.8 billion

The prohibition to increase the presidential budget under Article VI, Section 25(1) is one of the limits on Congress’s power to appropriate money. In imposing this prohibition, Article VI, Section 25(1) does not distinguish or qualify “appropriations.” Had the intention been to limit the application of the prohibition only to programmed appropriations or expenditures with definite or identified funding source, the framers of the Constitution could have explicitly so stated.

An “appropriation” simply refers to legislative authorization, directing payment out of government funds under specified conditions or for specified purposes.³³

In *Belgica v. Ochoa*:³⁴

“An appropriation made by law” under the contemplation of Section 29 (1), Article VI of the 1987 Constitution exists when a provision of law (a) sets apart a **determinate or determinable amount** of money and (b) allocates the same for a **particular public purpose**. These two minimum

²⁸ Annex A, Petition in G.R. No. 275405.

²⁹ Table H, Reconciliation of the Obligation Program and the Proposed General Appropriations FY 2024, available at <https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2024/H.pdf> (last accessed September 9, 2025).

³⁰ Annex A, Petition in G.R. No. 275405, pp. 2, 3.

³¹ *Id.* at 3.

³² *Id.* at 2.

³³ REV. ADM. CODE, Book VI, Chap. 1, sec. 2. The Court, in *Bengzon v. Secretary of Justice and Insular Auditor*, 62 Phil. 912 (1936), held that the power of appropriation involves (a) the **setting apart by law of a certain sum** from the public revenue for (b) a **specified purpose**. See also *Belgica v. Ochoa*, 721 Phil. 416 (2013) [Per J. Perlas-Bernabe, *En Banc*].

³⁴ 721 Phil. 416 (2013) [Per J. Perlas-Bernabe, *En Banc*].

designations of amount and purpose stem from the very definition of the word “appropriation,” which means “to allot, assign, set apart or apply to a particular use or purpose,” and hence, if written into the law, **demonstrate that the legislative intent to appropriate exists**. As the Constitution “does not provide or prescribe any particular form of words or religious recitals in which an authorization or appropriation by Congress shall be made, except that it be ‘made by law,’” an appropriation law may — according to *Philconsa* — be “detailed and as broad as Congress wants it to be” for as long as the intent to appropriate may be gleaned from the same.

....

To reiterate, if a legal provision designates a determinate or determinable amount of money and allocates the same for a particular public purpose, then the legislative intent to appropriate becomes apparent and, hence, already sufficient to satisfy the requirement of an “appropriation made by law” under contemplation of the Constitution.³⁵ (Emphasis in the original)

There is no specific provision of law requiring that the president’s proposed budget cover only those expenditures with definite funding source. On the contrary, considering that no public money can be spent without legislative authorization,³⁶ and that the national budget is prepared in advance and is merely an estimated amount, it is logical to say that the president’s budget proposal should contain a reasonable amount of unprogrammed appropriations that are necessary to cover unforeseen events.³⁷ This would enable the Executive Department to spend for obligations under the unprogrammed appropriations as the need arises, without having to go back to Congress to enact a separate law appropriating additional funds.

Again, the concept of unprogrammed appropriations refers to appropriations which provide standby authority to incur additional agency obligations for priority programs or projects, the determination of which should be the sole discretion of the president as the one who heads and runs the operations of government. Congress does not have the authority to increase the unprogrammed appropriations. They can only approve or reduce the budget proposed by the president, which includes the unprogrammed appropriations, as part of a system of checks and balances to ensure coordination among the branches of government.

The PHP 281 billion unprogrammed appropriations recommended by the president is an item of appropriation, the approval of which constitutes a legislative authority to spend public funds. Thus, the Congress’s increase of PHP 449.5 billion comes within the purview of the constitutional prohibition.

³⁵ *Id.* at 564–565.

³⁶ CONST., art. VI, sec. 29(1) states:

No money shall be paid out of the Treasury except in pursuance of an appropriation made by law.

³⁷ Final Memorandum of *Amicus Curiae* Margarito B. Teves dated May 2, 2025, p. 1.

III

There is no dispute that the House-approved and Senate-approved appropriation bills contained the same levels of programmed and unprogrammed appropriations as the presidential budget. Moreover, the changes in appropriation levels were introduced in the bicameral conference committee.

A closer look at the bicameral conference committee report³⁸ shows that the total increases and decreases in several line items in the programmed appropriations are the same—PHP 564.46 billion, with the net effect of “no change” in the total amount of programmed appropriations of PHP 4,019.8 billion. However, the unprogrammed appropriations were increased by PHP 449.5 billion. These reveal that some of the programmed appropriations were taken out and transferred to the unprogrammed appropriations, thereby enabling the insertions of additional items in the programmed appropriations. In her Final Memorandum dated May 3, 2025, *Amicus Curiae* Zy-za Nadine N. Suzara reported:

Historically, the levels of Unprogrammed Appropriations proposed by the Executive Branch in the National Expenditure Program generally remained the same in the enacted version of the Budget or the General Appropriations Act except for fiscal years 2010, 2022, 2023, 2024 and 2025.

Table 1 shows, the difference in the proposed vs enacted level of Unprogrammed Appropriations steadily grew between 2022-2024 and decreased in 2025.

Table 1: FY2010-2025 Unprogrammed Appropriations, in billions

Fiscal Year	NEP	GAA	Difference
2010	68.91	118.91	50
2011	66.91	66.91	0
2012	161.69	152.82	-8.87
2013	117.50	117.50	0
2014	139.90	139.90	0
2015	123.10	123.10	0
2016	67.50	67.50	0
2017	67.50	67.50	0
2018	75.34	75.34	0
2019	197.14	197.14	0
2020	216.30	216.30	0
2021	176.32	176.32	0
2022	151.64	251.64	100
2023	588.16	807.16	219
2024	281.91	731.45	449.54
2025	158.67	531.67	373

³⁸ Annex E, Petition in G.R. No. 275405.

In the 2024 GAA, the Unprogrammed Appropriations was [PHP] 450 billion higher than the proposed level of Php282 billion as a result of the defunding and transfer of multiple line items from the Programmed Appropriations to the Unprogrammed Appropriations.³⁹

Amicus Curiae Suzara opines that the 2024 budget showed that the freed up fiscal space in the programmed appropriations went to departments where the hard and soft projects of legislators are traditionally lodged, such as local infrastructure projects of the Department of Public Works and Highways (DPWH) and the Department of Agriculture (DA). She describes this as a new scheme of massively funding pork barrel, which undermines the integrity of the budget process and effectively circumvents the Court’s ruling in *Belgica*.⁴⁰

The bicameral conference committee report⁴¹ shows the following *net increases* in the programmed appropriations:

1. DPWH	PHP 173.9 billion
2. State Universities and Colleges	PHP 25.87 billion
3. Commission on Elections	PHP 2.97 billion
4. Department of Social Welfare and Development	PHP 2.72 billion
5. Allocation to local government units (LGUs)	PHP 2.94 billion
6. Budgetary Support to Other Executive Offices	PHP 1.5 billion

On the other hand, the following programmed appropriations were *decreased* by the following amounts:

1. Department of Agriculture (DA)	PHP 16.3 billion
2. Department of Tourism	PHP 97.18 billion
3. Other Executive Offices	PHP 6.41 billion
4. Budgetary Support to the DA	PHP 7.81 billion
5. Budgetary Support to the Department of Health	PHP 40.31 billion

In addition, programmed appropriations for personnel benefit funds, pension and gratuity fund, and revised Armed Forces of the Philippines modernization program—with a total of PHP 86.31 billion—were *transferred* to the unprogrammed appropriations.

The national budget originates from the Executive Department. Each department or agency can already determine what the potential expenses are

³⁹ Final Memorandum of *Amicus Curiae* Zy-za Nadine N. Suzara dated May 3, 2025, p. 2.

⁴⁰ Brief of *Amicus Curiae* Zyza-Nadine N. Suzara dated January 23, 2024, p. 6. *See also* 721 Phil. 416 (2013) [Per J. Perlas-Bernabe, *En Banc*].

⁴¹ Annex E, Petition in G.R. No. 275405.

for the coming years, including miscellaneous expenses. Thus, it is already anticipated. It is not right to transfer them to unprogrammed appropriations.

Again, according to *Amicus Curiae* Suzara:

The Unprogrammed Appropriations is no longer a list of general line items that could provide stand-by appropriations for contingencies during budget execution. It has morphed into a long list of line items that were eliminated by Congress in exchange for pork.

Congress has certainly found a way to circumvent the prohibition on post-enactment intervention, mangling the Budget as it undergoes legislation. . .

There is currently no mechanism during budget legislation to safeguard the Budget from these excesses.⁴²

Amicus Curiae Sonny Africa of IBON Foundation shares the view that the increasing trend in the amounts of unprogrammed appropriations—PHP 10 billion in 2022, PHP 219 billion in 2023, and PHP 449.5 billion in 2024—raises the suspicion that allocations for programmed appropriations are transferred to unprogrammed appropriations to create fiscal space in the programmed appropriations for projects identified by legislators during the budget process and, in the implementation of which, legislators may be directly or indirectly involved.⁴³

It is this “bloating of the Unprogrammed Appropriations as a consequence of massively funding pork barrel” that required the “need to raise additional sources of financing by siphoning funds of [government-owned or -controlled corporations] like [PhilHealth] and [Philippine Deposit Insurance Corporation].”⁴⁴ Hence, the insertion of Special Provision 1(d) in the 2024 General Appropriations Act.

IV

Special Provision 1(d) is unconstitutional. It is a rider or an inappropriate provision to the 2024 General Appropriations Act because it impliedly repealed or amended (a) the purposes of the funds allocated for the Universal Health Care Act, (b) Section 11 of the Universal Health Care Act, and (c) the Sin Tax Laws.

⁴² Brief of *Amicus Curiae* Zy-za Nadine N. Suzara dated January 23, 2024, p. 8.

⁴³ Brief of *Amicus Curiae* Sonny Africa, p. 13.

⁴⁴ Final Memorandum of *Amicus Curiae* Zy-za Nadine N. Suzara dated May 3, 2025, p. 1.

IV(A)

The PHP 60 billion transferred to the National Treasury is part of the PhilHealth Reserve Fund; hence, the transfer violates Section 11 of the Universal Health Care Act. It is, therefore, an unconstitutional rider.

Section 11⁴⁵ of the Universal Health Care Act dictates how PhilHealth funds will be used.

⁴⁵ Republic Act No. 11223 (2019), sec. 11 reads:

SECTION 11. Program Reserve Funds. — *PhilHealth shall set aside a portion of its accumulated revenues not needed to meet the cost of the current year's expenditures as reserve funds: Provided, That the total amount of reserves shall not exceed a ceiling equivalent to the amount actuarially estimated for two (2) years' projected Program expenditures: Provided, further, That whenever actual reserves exceed the required ceiling at the end of the fiscal year, the excess of the PhilHealth reserve fund shall be used to increase the Program's benefits and to decrease the amount of members' contributions.*

Any unused portion of the reserve fund that is not needed to meet the current expenditure obligations or support the abovementioned programs shall be placed in investments to earn an average annual income at prevailing rates of interest and shall be referred to as the Investment Reserve Fund. The Investment Reserve Fund shall be invested in any or all of the following:

- (a) *In interest-bearing bonds, securities or other evidences of indebtedness of the Government of the Philippines: Provided, That such investment shall be at least fifty percent (50%) of the reserve fund;*
- (b) *In debt securities and corporate bonds of prime or solvent corporations created or existing under the laws of the Philippines: Provided, That the issuing or its predecessor entity shall not have defaulted in the payment of interest on any of its securities: Provided, further, That the securities are issued by companies with high growth opportunities and earnings potentials: Provided, finally, That such investment shall not exceed thirty percent (30%) of the reserve fund;*
- (c) *In interest-bearing deposits and loans to or securities in any domestic bank doing business in the Philippines: Provided, That in the case of such deposits, this shall not exceed at any time the unimpaired capital and surplus or total private deposits of the depository bank, whichever is smaller: Provided, further, That the bank shall have been designated as a depository for this purpose by the Monetary Board of the Bangko Sentral ng Pilipinas;*
- (d) *In preferred stocks of any solvent corporation or institution created or existing under the laws of the Philippines listed in the stock exchange with proven track record or profitability over the last three (3) years and payment of dividends for a period of at least three (3) years immediately preceding the date of investment in such preferred stocks;*
- (e) *In common stocks of any solvent corporation or institution created or existing under the laws of the Philippines listed in the stock exchange with high growth opportunities and earnings potentials;*
- (f) *In bonds, securities, promissory notes, or other evidences of indebtedness of accredited and financially sound medical institutions exclusively to finance the construction, improvement and maintenance of hospitals and other medical facilities: Provided, That such securities and instruments shall be guaranteed by the Republic of the Philippines or the issuing medical institution and the issued securities are both rated triple 'A' by authorized accredited domestic rating agencies: Provided, further, That said investments shall not exceed ten percent (10%) of the total reserve fund; and*
- (g) *In debt instruments and other securities traded in the secondary markets with the same intrinsic quality as those enumerated in paragraphs (a) to (f) hereof, subject to the approval of the PhilHealth Board.*

No portion of the reserve fund or income thereof shall accrue to the general fund of the National Government or to any of its agencies or instrumentalities, including government-owned or -controlled corporations.

As part of its investments operations, PhilHealth may hire institutions with valid trust licenses as its external local fund managers to manage the reserve fund, as it may deem appropriate, through public bidding. The fund manager shall submit an annual report on investment performance to PhilHealth.

The PhilHealth shall set up the following funds:

- (1) *A fund to secure benefit payouts to members prior to their becoming lifetime members;*
- (2) *A fund to secure payouts to lifetime members; and*
- (3) *A fund for optional supplemental benefits that are subject to additional contributions.*

A portion of each of the above funds shall be identified as current and kept in liquid instruments. In no case shall said portion be considered part of invested assets.

First, it requires setting aside, as reserve funds, a portion of PhilHealth's revenues not needed to meet the current year's expenditures, i.e., operational expenses (not more than 7.5% of premiums collected) and benefit claims expenses. It further establishes the ceiling of the reserve fund to an amount actuarially estimated to cover two years of projected program expenditures.

Second, any amount more than the ceiling must be used to increase benefits and decrease premiums.

Third, any unused portion of the reserve fund that is not required to meet the current expenditure obligations or to support the previously mentioned programs must be invested in secure and profitable instruments to build the Investment Reserve Fund.

As the agency established to administer the National Health Insurance Program,⁴⁶ PhilHealth must focus its funds to address and achieve the purposes of the Universal Health Care Act, i.e., to help people pay for healthcare goods and services. Moreover, PhilHealth must "provide effective stewardship, funds management[,] and maintenance of reserves"⁴⁷ to ensure a sustainable system of financing its operations and its members' availment of health insurance benefits.

The Audited Financial Statements of PhilHealth show that all unused portions of its income, including investment income, were set aside as reserve

The PhilHealth shall allocate a portion of all contributions to the fund for lifetime members based on an allocation to be determined by the PhilHealth actuary based on a pre-determined percentage using the current average age of members and the current life expectancy and morbidity curve of Filipinos.

The PhilHealth shall manage the supplemental benefits and the lifetime members' fund in an actuarially sound manner.

The PhilHealth shall manage the supplemental benefits fund to the minimum required to ensure that the supplemental benefit payments are secure. (Emphasis supplied)

⁴⁶ Republic Act No. 7875 (1995), sec. 4(v) provides:

(v) *National Health Insurance Program* — The compulsory health insurance program of the government as established in this Act, which shall provide universal health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines.

Republic Act No. 7875 (1995), sec. 5 provides:

SECTION 5. *Establishment and Purposes.* — There is hereby created the National Health Insurance Program which shall provide health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines, in accordance with the policies and specific provisions of this Act. This social insurance program shall serve as the means for the healthy to help pay for the care of the sick and for those who can afford medical care to subsidize those who cannot. It shall initially consist of programs I and II or Medicare and be expanded progressively to constitute one universal health insurance program for the entire population. The Program shall include a sustainable system of funds constitution, collection, management and disbursement for financing the availment of a basic minimum package and other supplementary packages of health insurance benefits by a progressively expanding proportion of the population. The Program shall be limited to paying for the utilization of health services by covered beneficiaries or to purchasing health services in behalf of such beneficiaries. It shall be prohibited from providing health care directly, from buying and dispensing drugs and pharmaceuticals, from employing physicians and other professionals for the purpose of directly rendering care, and from owning or investing in health care facilities.

⁴⁷ Republic Act No. 7875 (1995), sec. 2(i).

funds and added to the previous year’s reserves.⁴⁸ As noted in the *ponencia*, these reserve funds, though accumulated through the years, have never reached the ceiling set by the Universal Health Care Act.⁴⁹

On the other hand, Special Provision 1(d) of the 2024 General Appropriations Act adds another source of funding for the unprogrammed appropriations, i.e., the “fund balance of the Government-Owned or Controlled Corporations (GOCCs) from any remainder *resulting* from the review and *reduction of their reserve funds to reasonable levels.*”

In other words, Special Provision 1(d),⁵⁰ as implemented by DOF Circular No. 003-2024, reduced the reserve funds and reclassified the portion taken from them as “fund balance,” and diverted its purpose from “increasing members benefits or decreasing contributions” to “funding unprogrammed appropriations,” in violation of Section 11 of the Universal Health Care Act.

Thus, the PHP 60 billion transferred to the National Treasury pursuant to DOF Circular No. 003-2024 and Special Provision 1(d) came from the reserve funds. In fact, the schedule of transfer was synchronized with the investment maturities,⁵¹ showing that the funds were specifically sourced from the Investment Reserve Fund. This constitutes a clear violation of Section 11 of the Universal Health Care Act, which states that “no portion of the reserve fund or income thereof shall accrue to the general fund of the National Government.”

⁴⁸ Culled from the Audited Financial Statements of PhilHealth are the following:

	2023	2022	2021 (as restated)
Reserve at January 1	275,785,094,946	191,498,004,527	140,720,729,654
Net Income	174,064,380,907	79,038,542,242	47,906,067,501
Prior year’s adjustments	14,437,516,296	5,248,548,177	2,871,207,372
Reserve Fund	464,286,992,149	275,785,094,946	191,498,004,527

“Net Income” constitutes members contributions and government subsidies less operational expenses and benefit claims expenses, and includes interest income from Investment Reserve Funds and other income (see Statement of Comprehensive Income and Note 28 of the Audited Financial Statements)

⁴⁹ *Ponencia*, p. 62. Per Notes to Financial Statements as of December 31, 2023, 2022, and 2021, the actuarially estimated ceiling for 2021–2022 was PHP 470.59 billion; for 2023–2024, PHP 560.55 billion.

⁵⁰ Special Provision 1(d) of the 2024 General Appropriations Act states:

1. Availment of the Unprogrammed Appropriations. The amounts authorized herein for Purpose Nos. 1, 3-5, and 7-51 may be used when any of the following exists:

....
(d) Fund balance of the Government-Owned or- Controlled Corporations (GOCCs) from any remainder resulting from the review and reduction of their reserve funds to reasonable levels taking into account the disbursements from prior years.

The Department of Finance shall issue the guidelines to implement this provision withing fifteen (15) days from effectivity of this Act.

⁵¹ See 2023 Audited Financial Statement, Notes 34.1.

Tranche	Date	Amount Remitted
1 st	May 10, 2024	PHP 20 billion
2 nd	August 21, 2024	PHP 10 billion
3 rd	October 16, 2024	PHP 30 billion

Even assuming, as argued by respondents House of Representatives et al., that PhilHealth may reduce its reserve fund,⁵² the remainder after such reduction must still be used for the purposes of the Universal Health Care Act. It cannot be reverted to the general fund of the national government, pursuant to the express prohibition under Section 11.

IV(B)

The PHP 60 billion remitted fund, even if it does not form part of the reserve funds, cannot be legally used for purposes outside of PhilHealth's mandate under the Sin Tax Law and the Universal Health Care Act.

The funds were commingled with other funds. The comingled funds were spent for purposes other than those mandated.

Section 37 of the Universal Health Care Act⁵³ expressly enumerates the sources of funds for its implementation, namely: (1) portions of the total incremental sin tax collections provided for under Republic Act No. 10351;⁵⁴ (2) premium contributions of members; (3) annual appropriations of the Department of Health (DOH) included in the General Appropriations Act; and (4) the national government subsidy to PhilHealth included in the General Appropriations Act.⁵⁵

⁵² OSG Memorandum, p. 85.

⁵³ Republic Act No. 11223 (2019), otherwise known as An Act Instituting Universal Health Care for All Filipinos, Prescribing Reforms in the Health Care System, and Appropriating Funds Therefor.

⁵⁴ Otherwise known as "Sin Tax Reform Law."

⁵⁵ Republic Act No. 11223 (2019), sec. 37 reads:

SECTION 37. *Appropriations.* — The amount necessary to implement this Act shall be sourced from the following:

- (a) Total incremental sin tax collections as provided for in Republic Act No. 10351, otherwise known as the "Sin Tax Reform Law": Provided, That the mandated earmarks as provided for in Republic Act Nos. 7171 and 8240 shall be retained;
- (b) Fifty percent (50%) of the National Government share from the income of the Philippine Amusement and Gaming Corporation (PAGCOR) as provided for in Presidential Decree No. 1869, as amended: Provided, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual budgeting, accounting and auditing rules and regulations: Provided, further, That the funds shall be used by PhilHealth to improve its benefit packages;
- (c) Forty percent (40%) of the Charity Fund, net of Documentary Stamp Tax Payments, and mandatory contributions of the Philippine Charity Sweepstakes Office (PCSO) as provided for in Republic Act No. 1169, as amended: Provided, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual budgeting, accounting, and auditing rules and regulations: Provided, further, That the funds shall be used by PhilHealth to improve its benefit packages;
- (d) Premium contributions of members;
- (e) Annual appropriations of the DOH included in the GAA; and
- (f) National Government subsidy to PhilHealth included in the GAA.

The amount necessary to implement the provisions of this Act shall be included in the GAA and shall be appropriated under the DOH and National Government subsidy to PhilHealth. In addition, the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act.

In turn, our Sin Tax Laws (Republic Act No. 10351,⁵⁶ as amended by Section 14 of Republic Act No. 11346,⁵⁷ and further amended by Section 9 of Republic Act No. 11467⁵⁸), earmark portions of the revenues from excise taxes on sweetened beverages, alcohol, tobacco products, and heated tobacco and vapor products *and mandated that these earmarked amounts be used exclusively for the implementation of the Universal Health Care Act.*⁵⁹

⁵⁶ Republic Act No. 10351 (2012), An Act Restructuring The Excise Tax on Alcohol and Tobacco Products by Amending Sections 141, 142, 143, 144, 145, 8, 131 and 288 of Republic Act No. 8424, Otherwise Known as The National Internal Revenue Code Of 1997, as Amended by Republic Act No. 9334, and for Other Purposes, December 19, 2012. Sec. 8 of Republic Act No. 10351 amends Sec. 288 (B) and (C) of the NIRC of 1997, as amended.

⁵⁷ Republic Act No. 11346 (2019), An Act Increasing the Excise Tax on Tobacco Products, Imposing Excise Tax on Heated Tobacco Products and Vapor Products, Increasing the Penalties for Violations of Provisions on Articles Subject To Excise Tax, and Earmarking a Portion of the Total Excise Tax Collection from Sugar-Sweetened Beverages, Alcohol, Tobacco, Heated Tobacco and Vapor Products for Universal Health Care, Amending for This Purpose Sections 144, 145, 146, 147, 152, 164, 260, 262, 263, 265, 288, And 289, Repealing Section 288 (B) And 288 (C), And Creating New Sections 263-A, 265-B, And 288-A Of The National Internal Revenue Code Of 1997, As Amended By Republic Act No. 10963, And For Other Purposes, July 25, 2019.

⁵⁸ Republic Act No. 11467 (2020), An Act Amending Sections 109, 141, 142, 143, 144, 147, 152, 263, 263-A, 265, And 288-A, and Adding A New Section 290-A To Republic Act No. 8424, as Amended, Otherwise Known as the National Internal Revenue Code Of 1997, and for Other Purposes, January 22, 2020.

⁵⁹ TAX CODE, sec. 288-A presently reads:

SECTION 288-A. *Disposition of Revenues from Excise Tax on Sweetened Beverages, Alcohol, Tobacco Products, Heated Tobacco Products, and Vapor Products.* —

(A) *Revenues from Excise Tax on Sweetened Beverages from Republic Act No. 10963.* — The provisions of existing laws to the contrary notwithstanding, fifty percent (50%) of the total revenues collected from the excise tax on sweetened beverages shall be allocated and *used exclusively* in the following manner:

(1) *Eighty percent (80%) to the Philippine Health Insurance Corporation (PhilHealth) for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act' of 2019; and*

(2) *Twenty percent (20%) shall be allocated nationwide, based on political and district subdivisions, for medical assistance, the Health Facilities Enhancement Program (HFEP), the annual requirements of which shall be determined by the Department of Health (DOH).*

(B) *Revenues from Excise Tax on Alcohol Products.* — The provisions of existing laws to the contrary notwithstanding, one hundred percent (100%) of the total revenues collected from the excise tax on alcohol products shall be allocated and *used exclusively* in the following manner:

(1) *Sixty percent (60%) for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act' of 2019;*

(2) *Twenty percent (20%) shall be allocated nationwide, based on political and district subdivisions, for medical assistance, the Health Facilities Enhancement Program (HFEP), the annual requirements of which shall be determined by the DOH; and*

(C) *Revenues from Excise Tax on Tobacco Products.* — The provisions of existing laws to the contrary notwithstanding, the total revenues collected from the excise tax on tobacco products shall be distributed in the following manner:

(2) *Fifty percent (50%) of the total excise tax collection from tobacco products shall be allocated and used exclusively in the following manner:*

a) *Eighty percent (80%) to PhilHealth for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act' of 2019; and*

b) *Twenty percent (20%) shall be allocated nationwide, based on political and district subdivisions, for medical assistance, the Health Facilities Enhancement Program (HFEP), the annual requirements of which shall be determined by the DOH; and*

(D) *Revenues from Excise Tax on Heated Tobacco Products and Vapor Products.* — The provisions of existing laws to the contrary notwithstanding, one hundred percent (100%) of the total revenues collected from the excise tax on heated tobacco products and vapor products shall be allocated and *used exclusively* in the following manner:

(1) *Sixty percent (60%) for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act' of 2019;*

*In Confederation of Coconut Farmers Organizations of the Philippines, Inc. v. Aquino III.*⁶⁰

*The revenue collected for a special purpose shall be treated as a special fund to be used exclusively for the stated purpose. This serves as a deterrent for abuse in the disposition of special funds. The coconut levy funds are special funds allocated for a specific purpose and can never be used for purposes other than for the benefit of the coconut farmers or the development of the coconut industry. Any attempt to appropriate the said funds for another reason, no matter how noble or beneficial, would be struck down as unconstitutional.*⁶¹ (Emphasis supplied)

In *Guiiao v. PAGCOR*,⁶² a case involving the funding requirements of the Philippine Sports Commission, this Court held that Section 26 of Republic Act No. 6847 clearly and unqualifiedly provides that the remittance is “five percent (5%) of the gross income of the [Philippine Amusement and Gaming Corporation (PAGCOR)].” Hence, PAGCOR’s allocation of only 2.1375% to the Philippine Sports Commission is invalid. As for the Philippine Charity Sweepstakes Office’s (PCSO) remittance, this Court ruled that lotto games fall within the scope of “sweepstakes” or “lottery,” and must therefore be included in computing the 30% representing the charity fund from the proceeds of PCSO’s six sweepstakes or lottery draws. This Court further held that the underfunding of the Philippine Sports Commission constitutes an interference with the Legislature’s power of the purse and undermines the constitutional policy of promoting sports programs. Accordingly, this Court ordered PAGCOR to account for and remit the complete 5% of its gross income per annum from 1993 to present in favor of the Philippine Sports Commission. It directed the PCSO to account for and remit the 30% representing the charity fund from the proceeds of six sweepstakes or lottery draws per annum, including its lotto draws, from 2006 to present.

Pursuant to our ruling in *Guiiao*, the earmarked sin tax collections must be remitted *in full* to PhilHealth to be *used exclusively* for the implementation of the Universal Health Care Act.

However, reports show that this has not been the case. PhilHealth has not received its full share of the earmarked sin taxes. For instance, of the PHP 83.9 billion⁶³ sin tax collections in 2021, PHP 78.8 billion was appropriated,

(2) Twenty percent (20%) shall be allocated nationwide, based on political and district subdivisions, for medical assistance and the Health Facilities Enhancement Program (HFEP), the annual requirements of which shall be determined by the DOH; and

.....
Provided, further, That the allocation for Universal Health Care under Section 288-A shall be based on the collection of the second fiscal year preceding the current fiscal year. (Emphasis supplied)

⁶⁰ 815 Phil. 1036 (2017) [Per J. Mendoza, *En Banc*].

⁶¹ *Id.* at 1053.

⁶² 955 Phil. 40 (2024) [Per J. Leonen, *En Banc*].

⁶³ See Annex A of the Petition in G.R. No. 274778, Table 3, p. 8.

yet only PHP 50 billion was released in 2023. PhilHealth’s financial statements reveal that the DBM withheld the release of PHP 28.076 billion in government subsidy.⁶⁴

In 2024, of the PHP 79 billion⁶⁵ in sin taxes collected, only PHP 40.28 billion⁶⁶ was appropriated, and merely PHP 10.082 billion was released by the DBM. A total amount of PHP 30.001 billion in government subsidy has yet to be released by the DBM.⁶⁷

Not only this, respondents House of Representatives, et al. also contend that the PHP 60 billion transferred to the National Treasury came from government subsidies for the premium contributions of indirect members.⁶⁸ During the oral arguments, the solicitor general explained that these PhilHealth funds were commingled in the National Treasury for application to the various purposes enumerated in the unprogrammed appropriations.⁶⁹ Specifically, respondents allege that almost the entire PHP 60 billion remitted was allocated to the following projects:

PROGRAM	AMOUNT
Public Health Emergency Benefits and Allowance for Health Care and Non-Healthcare Workers	PHP 27,453,233,268.00 ⁷⁰
Priority Social Programs for Health (Including Health Facilities Enhancement Program), Social Welfare and Development, Higher Education, and Technical and Vocational Education	PHP 19,169,664,755.00
<i>Breakdown:</i>	
Three (3) DOH Health Facilities	PHP 3,370,000,000.00 ⁷¹
Medical Assistance to Indigent and Financially Incapacitated Patients (MAIP)	PHP 10,000,000,000.00 ⁷²
Procurement of various medical equipment for DOH hospitals, LGU hospitals, and Primary Care Facilities (Health Facilities Enhancement Program)	PHP 2,816,080,507.00 ⁷³
	PHP 1,285,000,000.00 ⁷⁴

⁶⁴ Note 7.2 of PhilHealth’s Audited Financial Statement for 2023, p. 30.
⁶⁵ TSN, Oral Arguments, April 2, 2025, p. 23.
⁶⁶ 2024 General Appropriations Act.
⁶⁷ See Note 7.2 of PhilHealth’s Audited Financial Statement for 2024, p. 23, *available at* https://www.philhealth.gov.ph/about_us/transparency/accomplishment_report/FS4thQuarter.pdf (last accessed on September 12, 2025).
⁶⁸ OSG Memorandum, p. 84.
⁶⁹ TSN, Oral arguments, April 3, 2025, pp. 152–153.
⁷⁰ Annex 4, OSG Memorandum, SARO-BMB-B-24-0005240 dated July 5, 2024.
⁷¹ Annex 8, OSG Memorandum, SARO-BMB-B-24-0015788 dated September 27, 2024.
⁷² Annex 5, OSG Memorandum, SARO-BMB-B-24-0017131 dated October 28, 2024.
⁷³ Annex 6, OSG Memorandum, SARO-BMB-B-24-0018223 dated November 25, 2024.
⁷⁴ Annex 7, OSG Memorandum, SARO-BMB-B-24-0018655 dated December 5, 2024.

Procurement of various medical equipment for DOH hospitals, LGU hospitals, and Primary Care Facilities (Health Facilities Enhancement Program)	
Health Facilities Enhancement Program	PHP 1,698,584,248.00 ⁷⁵
Government Counterpart Financing for Foreign Assisted Projects	PHP 13,000,000,000.00 ⁷⁶
TOTAL	PHP 59,622,898,023.00 ⁷⁷

However, a perusal of the Special Allotment Release Orders (SAROs) submitted for the foregoing expenditures shows that nothing therein indicates that the funds came from the PHP 60 billion remitted fund of PhilHealth. The SAROs merely indicated as funding source “Regular Agency Fund, Unprogrammed Appropriations, . . . [indicating the particular program].”

Moreover, the SAROs pertain to the funding requirements of the DOH and to foreign-assisted projects of the DA, Bureau of Fisheries and Aquatic Resources, Department of Agrarian Reform, and DPWH, the latter receiving the largest allotment of PHP 10.8 billion for road networks and flood control projects.

The transfer of PhilHealth funds into a lump sum commingled with the Philippine Deposit Insurance Corporation in the National Treasury violates the Universal Health Care Act, as such expenditures must be applied specifically to its implementation.

Moreover, all allocations to PhilHealth are understood to be dedicated exclusively to individual-based services.⁷⁸ Under the Universal Health Care Act, population-based services are funded by the DOH. In fact, the Sin Tax Laws provide a separate allocation of 20% specifically for the medical assistance and health facilities enhancement program, the requirements of which are determined by the DOH. Consequently, respondents House of Representatives et al.’s claim that the funds transferred were used for other health purposes is baseless.

IV(C)

⁷⁵ Annex 9, OSG Memorandum, SARO-BMB-B-24-0019208 dated December 19, 2024.

⁷⁶ Annex 10, OSG Memorandum, SARO-BMB-B-24-0018548 dated December 3, 2024, PHP 138,792,410.00 (Philippine Multisectoral Nutrition Project); Annex 11, OSG Memorandum, SARO-BMB-E-24-0011506 dated September 6, 2024, PHP 1,157,286,000.00; Annex 12, OSG Memorandum, SARO-BMB-E-24-0017721 dated November 13, 2024, PHP 147,063,327.00; Annex 13, OSG Memorandum, SARO-BMB-E-24-0011507 dated September 6, 2024, PHP 92,150,000.00; Annex 14, OSG Memorandum, SARO-BMB-E-24-0011508 dated September 6, 2024, PHP 813,491,000.00; Annex 5, OSG Memorandum, SARO-BMB-A-24-0004247 dated June 10, 2024, PHP 10,772,424,000.00 = PHP 13,121,206,737.00

⁷⁷ OSG Memorandum, pp. 86–87.

⁷⁸ Republic Act No. 11223 (2019), sec. 7.

The basic human and constitutional right to health was likewise violated by the unconstitutional transfer of funds from PhilHealth in violation of the provisions of the Sin Tax Law, as well as the Universal Health Care Act.

The transfer of PhilHealth funds to finance certain programs and projects under unprogrammed appropriations, despite the failure to advance the objectives of the Universal Health Care Act, is immoral, illegal, and unconstitutional. The reduction of available resources by diverting a portion of the fund pool for health services violates the principle of progressive realization of the right to health.

Health, as a basic human right, is enshrined in the 1987 Constitution. It is an integral element of the right to life, which no one can be deprived of. The State guarantees full respect for human rights, and health is recognized as one of these rights. The government's duty to promote and protect the Filipino's right to health, with priority given to the needs of the underprivileged, is constitutionally mandated. These principles are explicitly embodied in the following constitutional provisions:

ARTICLE II

Declaration of Principles and State Policies

SECTION 9. The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and *free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.*

SECTION 10. The State shall promote **social justice** in all phases of national development.

SECTION 11. The State values the dignity of every human person and *guarantees full respect for human rights.*

SECTION 15. The State shall *protect and promote the right to health of the people and instill health consciousness among them.*

ARTICLE III

Bill of Rights

SECTION 1. *No person shall be deprived* of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.

ARTICLE XIII

Social Justice and Human Rights Health

SECTION 11. The State shall adopt an integrated and comprehensive approach to health development which *shall endeavor* to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers.

SECTION 12. The State shall *establish and maintain an effective food and drug regulatory system* and undertake appropriate health manpower development and research, responsive to the country's health needs and problems.

SECTION 13. The State shall establish a special agency for disabled persons for rehabilitation, self-development and self-reliance, and their integration into the mainstream of society. (Emphasis supplied)

Consistent with these constitutional mandates to protect the people's right to health and adopt an integrated and comprehensive approach to health development, Republic Act No. 7875⁷⁹ was enacted with the following salient provisions:

SECTION 2. *Declaration of Principles and Policies.* – It is hereby declared the policy of the State to adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost and to provide free medical care to paupers. Towards this end, the State shall provide comprehensive health care services to all Filipinos through a socialized health insurance program that will prioritize the health care needs of the underprivileged, sick, elderly, persons with disabilities (PWDs), women and children and provide free health care services to indigents.

Pursuant to this policy, the State shall adopt the following principles:

a. *Allocation of National Resources for Health* - the Program shall underscore the importance for government to give priority to health as a strategy for bringing about faster economic development and improving quality of life.

b. *Universality* - the Program shall provide all citizens with the mechanism to gain financial access to health services, in combination with other government health programs. The National Health Insurance Program shall give the highest priority to achieving coverage of the entire population with at least a basic minimum package of health insurance benefits;

c. *Equity* - the Program shall provide for uniform basic benefits. Access to care must be a function of a person's health needs rather than his ability to pay;

d. *Responsiveness* - the Program shall adequately meet the needs for personal health services at various stages of a member's life;

⁷⁹ Republic Act No. 7875 (1995), An Act Instituting a National Health Insurance Program for All Filipinos and Establishing The Philippine Health Insurance Corporation for the Purpose. In 2013, Republic Act No. 7875 was amended by Republic Act No. 10606 (2013).

e. *Social Solidarity* - the Program shall be guided by community spirit. It must enhance risk sharing among income groups, age groups, and persons of differing health status, and residing in different geographic areas;

f. *Effectiveness* - the Program shall balance economical use of resources with quality of care;

g. *Innovation* - the Program shall adapt to changes in medical technology, health service organizations, health care provider payment systems, scopes of professional practice, and other trends in the health sector. It must be cognizant of the appropriate roles and respective strengths of the public and private sectors in health care, including people's organizations and community-based health care organizations;

h. *Devolution* - the Program shall be implemented in consultation with local government units (LGUs), subject to the overall policy directions set by the National Government;

i. *Fiduciary Responsibility* - the Program shall provide effective stewardship, funds management, and maintenance of reserves;

j. *Informed Choice* - the Program shall encourage members to choose from among accredited health care providers. The Corporation's local offices shall objectively apprise its members of the full range of providers involved in the Program and of the services and privileges to which they are entitled as members. This explanation, which the members may use as a guide in selecting the appropriate and most suitable provider, shall be given in clear and simple Filipino and in the local languages that is comprehensible to the member;

k. *Maximum Community Participation* - the Program shall build on existing community initiatives for its organization and human resource requirements;

l. *Compulsory Coverage* - All citizens of the Philippines shall be required to enroll in the National Health Insurance Program in order to avoid adverse selection and social inequity;

m. *Cost Sharing* - the Program shall continuously evaluate its cost sharing schedule to ensure that costs borne by the members are fair and equitable and that the charges by health care providers are reasonable;

n. *Professional Responsibility of Health Care Providers* - the Program shall assure that all participating health care providers are responsible and accountable in all their dealings with the Corporation and its members;

o. *Public Health Services* - the Government shall be responsible for providing public health services for all groups such as women, children, indigenous people, displaced communities and communities in environmentally endangered areas, while the Program shall focus on the provision of personal health services. Preventive and promotive public health services are essential for reducing the need and spending for personal health services;

p. *Quality of Services* - the Program shall promote the improvement in the quality of health services provided through the institutionalization of

programs of quality assurance at all levels of the health service delivery system. the satisfaction of the community, as well as individual beneficiaries, shall be a determinant of the quality of service delivery;

q. *Cost Containment* - the Program shall incorporate features of cost containment in its design and operations and provide a viable means of helping the people pay for health care services; and

r. *Care for the Indigent* - the Government shall be responsible for providing a basic package of needed personal health services to indigents through premium subsidy, or through direct service provision until such time that the program is fully implemented.

SECTION 3. *General Objectives.* - This Act seeks to:

- a. provide all citizens of the Philippines with the mechanism to gain financial access to health services;
- b. create the National Health Insurance Program, hereinafter referred to as the Program, to serve as the means to help the people pay for health care services;
- c. prioritize and accelerate the provision of health services to all Filipinos, especially that segment of the population who cannot afford such services; and
- d. establish the Philippine Health Insurance Corporation, hereinafter referred to as the Corporation, that will administer the Program at central and local levels.

These provisions underscore the constitutional directive for the “government to give priority to health” as an essential means of attaining “faster economic development and improving quality of life.” Section 3 of Republic Act No. 7875, in particular, sets the objective to “prioritize and accelerate the provision of health services to all Filipinos” and establishes and mandates PhilHealth to administer the National Health Insurance Program, which shall “give the highest priority to achieving coverage of the entire population.”⁸⁰

Amicus Curiae Africa emphasizes that under the International Covenant on Economic, Social and Cultural Rights of 1996, to which the Philippines is a state party, there exists the binding duty to use all available resources toward the progressive realization of the people’s right to health. In particular, General Comment No. 14 (The Right to the Highest Attainable Standard of Health) makes clear that a state’s unwillingness to utilize such maximum resources for the realization of this right constitutes a violation of its obligation under the Covenant.⁸¹

⁸⁰ Republic Act No. 7875 (1995), sec. 2(b).

⁸¹ Brief of *Amicus Curiae* Sonny Africa, p. 13.

In 2019, Republic Act No. 11223 or the Universal Health Care Act⁸² was enacted, instituting various reforms in the health sector to expand financial protection and guarantee access to quality and affordable healthcare goods and services to all Filipinos. The Universal Health Care Act adopts a whole-of-system, whole-of-government, whole-of-society, and people-centered approach to strengthen the health system. Its overarching goal is the progressive realization of universal health care in the Philippines by ensuring equitable access to quality and affordable healthcare goods and services, while shielding all Filipinos from financial risk. Relevant provisions of the Act provides:

SECTION 2. *Declaration of Principles and Policies.* - It is the policy of the State to protect and promote the right to health of all Filipinos and instill health consciousness among them. Towards this end, the State shall adopt:

(a) An integrated and comprehensive approach to ensure that *all Filipinos are health literate, provided with healthy living conditions, and protected from hazards and risks that could affect their health;*

(b) A health care model that provides *all Filipinos access to a comprehensive set of quality and cost-effective, promotive, preventive, curative, rehabilitative and palliative health services without causing financial hardship, and prioritizes the needs of the population who cannot afford such services;*

(c) A framework that fosters a whole-of-system, whole-of-government, and whole-of-society approach in the development, implementation, monitoring, and evaluation of health policies, programs and plans; and

(d) A people-oriented approach for the delivery of health services that is centered on people's needs and well-being, and cognizant of the differences in culture, values, and beliefs.

SECTION 3. *General Objectives.* - This Act seeks to:

(a) Progressively realize universal health care in the country through a systemic approach and clear delineation of roles of key agencies and stakeholders towards better performance in the health system; and

(b) Ensure that all Filipinos are guaranteed equitable access to quality and affordable health care goods and services, and protected against financial risk.

Some changes introduced by the Universal Health Care Act to achieve its objectives include: guaranteed PhilHealth membership for all citizens;⁸³ a simplified two-tiered membership scheme, consisting of direct (contributory) or indirect (subsidized);⁸⁴ population-based services financed by the DOH and

⁸² Republic Act No. 11223 (2019), An Act Instituting Universal Health Care For All Filipinos, Prescribing Reforms In The Health Care System, And Appropriating Funds Therefor.

⁸³ Republic Act No. 11223 (2019), secs. 5, 6(a), 6(b).

⁸⁴ Republic Act No. 11223 (2019), secs. 4(o), 8, 9.

LGUs, and individual-based services financed by PhilHealth;⁸⁵ continuing, comprehensive, and coordinated referral system managed by primary care providers;⁸⁶ healthcare provider networks organized within province- or city-wide health systems;⁸⁷ Health Technology Assessment institutionalized through the Health Technology Assessment Council for all medical goods;⁸⁸ mandatory licensing by the DOH for all health facilities;⁸⁹ province- and city-wide integration of administrative, technical, financial, and operational management of local health systems;⁹⁰ and equitable distribution of health services and benefits by prioritizing geographically isolated and disadvantaged areas in assistance and support.⁹¹

The Universal Health Care Act provides:

CHAPTER II UNIVERSAL HEALTH CARE (UHC)

SECTION 5. *Population Coverage.* - Every Filipino citizen shall be automatically included into the NHIP, hereinafter referred to as the Program.

SECTION 6. *Service Coverage.* - (a) Every Filipino shall be granted immediate eligibility and access to preventive, promotive, curative, rehabilitative, and palliative care for medical, dental, mental and emergency health services, delivered either as population-based or individual-based health services: *Provided*, That the goods and services to be included shall be determined through a fair and transparent HTA process;

(b) Within two (2) years from the effectivity of this Act, PhilHealth shall implement a comprehensive outpatient benefit, including outpatient drug benefit and emergency medical services in accordance with the recommendations of the Health Technology Assessment Council (HTAC) created under Section 34 hereof;

(c) The DOH and the local government units (LGUs) shall endeavor to provide a health care delivery system that will afford every Filipino a primary care provider that would act as the navigator, coordinator, and initial and continuing point of contact in the health care delivery system: *Provided*, That except in emergency or serious cases and when proximity is a concern, access to higher levels of care shall be coordinated by the primary care provider; and

(d) Every Filipino shall register with a public or private primary care provider of choice. The DOH shall promulgate the guidelines on the licensing of primary care providers and the registration of every Filipino to a primary care provider.

⁸⁵ Republic Act No. 11223 (2019), sec. 7.

⁸⁶ Republic Act No. 11223 (2019), secs. 4(r), 6(c).

⁸⁷ Republic Act No. 11223 (2019), secs. 17, 18.

⁸⁸ Republic Act No. 11223 (2019), sec. 34.

⁸⁹ Republic Act No. 11223 (2019), sec. 27.

⁹⁰ Republic Act No. 11223 (2019), sec. 19.

⁹¹ Republic Act No. 11223 (2019), sec. 29.

SECTION 7. *Financial Coverage.* — (a) Population-based health services shall be financed by the National Government through the DOH and provided free of charge at point of service for all Filipinos.

The National Government shall support LGUs in the financing of capital investments and provision of population-based interventions.

(b) Individual-based health services shall be financed primarily through prepayment mechanisms such as social health insurance, private health insurance, and HMO plans to ensure predictability of health expenditures.

CHAPTER III NATIONAL HEALTH INSURANCE PROGRAM

SECTION 8. *Program Membership.* — Membership into the Program shall be simplified into two (2) types, direct contributors and indirect contributors, as defined in Section 4 of this Act.

SECTION 9. *Entitlement to Benefits.* - Every member shall be granted immediate eligibility for health benefit package under the Program: *Provided,* That PhilHealth Identification Card shall not be required in the availment of any health service: *Provided, further,* That no co-payment shall be charged for services rendered in basic or ward accommodation: *Provided,* furthermore, That co-payments and co-insurance for amenities in public hospitals shall be regulated by the DOH and PhilHealth: *Provided, finally,* That the current PhilHealth package for members shall not be reduced.

PhilHealth shall provide additional Program benefits for direct contributors, where applicable: *Provided,* That failure to pay premiums shall not prevent the enjoyment of any Program benefits: *Provided, further,* That employers and self-employed direct contributors shall be required to pay all missed contributions with an interest, compounded monthly, of at least three percent (3%) for employers and not exceeding one and one-half percent (1.5%) for self-earning, professional practitioners, and migrant workers.

Harmonizing the Constitution and the laws, health is a basic human right that must be prioritized over other government targets. The right to health means comprehensive and universal health care without financial hardship, as envisioned under the Universal Health Care Act. It is the State's duty to ensure that affordable health services are accessible to all. Yet, much remains to be done to guarantee both accessibility and affordability, particularly for the poor. PhilHealth remains far from fulfilling the goals of the Universal Health Care Act.

The *ponencia* observed the current state of our health care system:

... our current public health insurance system is still leagues away from offering the reliability and dignity our citizens deserve—the funds should stay where they ought to be, not where they should be conveniently at. For

this, we need more than reform . . . The path to genuine universal healthcare is long, uphill, and non-negotiable . . . [M]illions remain underserved, costs continue to soar, and public trust hangs by a cotton thread.

....

Universal healthcare: a dream to Filipinos, still, after decades of implementation. Despite clear as day legislations. Despite elaborate designs for its realization. It, sadly, remains a dream.⁹²

Amicus Curiae Dr. Beverly Lorraine C. Ho summarizes the results of PhilHealth's 25 years of benefit expansion, i.e., only about 40% of total hospital expenses are covered; outpatient diagnostic tests covered amount to only 7% of the 183 tests deemed essential by the World Health Organization; outpatient drugs covered compromise only 11% of the 189 drugs in the Philippines' Primary Care Formulary; benefit packages and outpatient specialist care remain limited; and emergency services were only recently included.⁹³

Hence, as earlier stated, the transfer of PhilHealth funds to finance certain programs and projects under unprogrammed appropriations, despite the failure to advance the objectives of the Universal Health Care Act, is immoral and illegal. The reduction of available resources by diverting a portion of the fund pool for health services violates the principle of progressive realization of the right to health.

In his Brief, *Amicus Curiae* Africa laments:

Depleting PhilHealth funds and the institution's capacity to expand its services is particularly unconscionable given the apparent increase in the number of poor and vulnerable families, according to the SWS, WR Numero and BSP surveys . . .

....

This deprioritization of social services – including outright budget cuts including, but not only for PhilHealth – are disproportionately borne by the poorest, most marginalized and most vulnerable Filipino families whose incomes are so low that they are more dependent on publicly-provided social services, emergency *ayuda*, and subsidized food. Diverting scarce government resources away from socially critical spending to infrastructure projects is unconscionable especially amid many quarters now of surveys indicating growing poverty and hunger.⁹⁴

The depletion of PhilHealth's funds by PHP 60 billion is further compounded by the fact that certain sin tax collections earmarked for

⁹² See *ponencia*, pp. 129–130.

⁹³ Undated Memorandum by *Amicus Curiae* Dr. Beverly Lorraine C. Ho, p. 12.

⁹⁴ Brief of *Amicus Curiae* Sonny Africa, pp. 9–11.

PhilHealth remain unaccounted for. Indeed, health revenues must be allocated exclusively to health, but the reabsorption of PhilHealth funds into the National Treasury and its diversion to unrelated projects and programs reveal the contrary.

A FINAL NOTE

Surprisingly, the government, and an *amicus*, sought to justify the transfer of the funds on the ground of PhilHealth's alleged "spending inefficiency." In effect, the representatives of our people and an expert in economics sought to provide a managerial and economic disincentive to PhilHealth's inability to deliver the kind of health services needed by our people by further cutting off its resources.

Instead of revamping PhilHealth's leadership or management, they cut funding, letting the same flawed system to persist and worsen. This is a misguided and unkind application of leadership principles or economic efficiency. It reveals a troubling lack of compassion rather than a view that the government should focus on supporting genuine solutions that address the real needs of our people.

We are all too familiar with the long lines of our people begging from the offices of senators, members of the House of Representatives, local government officials, or the PCSO for funding to pay their medical bills or those of their loved ones. We have a government that have reduced so many of our people to degrading forms of mendicancy.

Our Constitution and the Universal Health Care Act envisions more dignity for our people.

I am sure that this is not what social justice and the fundamental respect for human dignity are all about. I am confident that the actions involved in this case and the attitude that supports them are not what our Constitution should inspire. I am hopeful that we can do better.

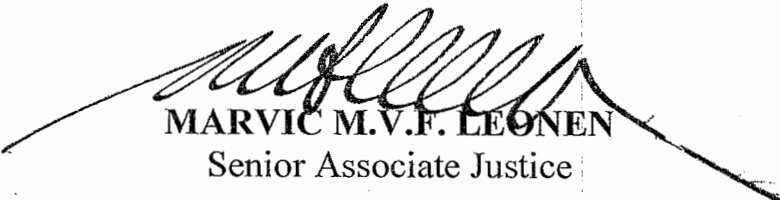
ACCORDINGLY, I vote to:

1. **GRANT** the three consolidated Petitions for *Certiorari* and Prohibition and Petition-in-intervention; and
 2. **DECLARE** the following as **UNCONSTITUTIONAL**:
- 

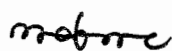
- (a) Letter dated September 20, 2023 of President Ferdinand R. Marcos, Jr. addressed to House Speaker Ferdinand Martin G. Romualdez certifying the urgency of House Bill No. 8980 or the 2024 General Appropriations Bill;
- (b) Congress's increase of the national expenditure program through the increase of the unprogrammed appropriations from PHP 281.9 billion to PHP 731.4 billion; and
- (c) Special Provision 1(d), Chapter XLIII of the 2024 General Appropriations Act, DOF Circular No. 003-2024, and the transfer of PHP 60 billion fund balance of PhilHealth to the National Treasury; and
- (d) *As a consequence, the entire 2024 General Appropriations Act.*

3. THEREFORE:

- (a) The PHP 60 billion transferred to the National Treasury must be returned to PhilHealth; and
- (b) The General Appropriations Act of 2024 being unconstitutional, the General Appropriations Act of 2023 should be deemed reenacted.


MARVIC M.V.F. LEONEN
Senior Associate Justice

CERTIFIED TRUE COPY


MARIA CECILIA M. CAPUNPON
Deputy Clerk of Court and
Executive Officer
OCC-En Banc, Supreme Court