

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 NAGKAKAISAAT 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. CAPITO, 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); DENNIES 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 the 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. EXECUTIVE SECRETARY LUCAS P. BERSAMIN, SENATE OF THE PHILIPPINES and THE HOUSE OF REPRESENTATIVES, Respondents; and G.R. No. 276233 — ISAMBAYAN COALITION; MEMBERS OF U.P. LAW CLASS 1975

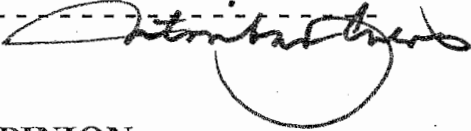


namely: JOSE P.O. ALILING IV, AUGUSTO H. BACULIO, EDGARDO R. BALBIN, MOISES B. BOQUIA, ANTONIO T. CARPIO, MANUEL C. CASES, JR., RICHARD J. GORDON, OSCAR L. KARAAN, BENJAMIN L. KALAW, LUCAS C. LICREIO, TOMAS N. PRADO, ELIZER A. ODULIO, OSCAR M. ORBOS, AURORA A. SANTIAGO, EMILY SIBULO-HAYUDINI, CONRAD 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 the 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, EMANNUEL R. LEDESMA, JR., Respondents.

Promulgated:

December 3, 2025

X
X



SEPARATE CONCURRING OPINION

ZALAMEDA, J.:

I concur with the *ponencia*'s ruling that the transfer of funds of Philippine Health Insurance Corporation (PhilHealth) is void. In reaching its conclusion, the *ponencia* primarily considered that Special Provision 1(d), Chapter XLIII of Republic Act No. 11975, or "the General Appropriations Act of 2024" (2024 GAA), which was statutory basis of the transfer of PhilHealth funds, was a rider due to its ambiguity and its amendatory effect on Republic Act No. 11223, or the Universal Health Care Act (UHCA) and the Sin Tax laws.¹ It also found that diversion of the "reserve funds" of PhilHealth to a different purpose,² infringes on the people's right to health and right to an affordable, sustainable, and accessible public health care insurance system.³ Taken together, the *ponencia*'s considerations underscore the centrality of a universal health coverage.

¹ *Ponencia*, pp. 50–105.
² *Id.* at 90–107.
³ *Id.* at 107–114.



This legal framework rests on a broader principle that amidst all inequalities in our society, universal health coverage is the ultimate expression of fairness. It is the hallmark of a government's commitment, its duty, to take care of its citizens, all of its citizens.⁴

Notwithstanding, I write separately to bring to the fore the necessity of excluding the President as respondent, to further examine our government's recent history of fund transfers, and to assess the possible unintended implications of this ruling for the Philippine Deposit Insurance Corporation (PDIC). I also share the express reservations of my colleagues on a wholesale invalidation of Special Provision No. 1(d) of the 2024 GAA and the Department of Finance (DOF) Circular No. 003-2024.

The exclusion of the President as respondent in G.R. No. 275405 is warranted and necessary

The doctrine of presidential immunity is firmly entrenched in our system of government. It allows no qualifications or restrictions that the President cannot be sued while holding such office. This is in recognition that any litigation, whether big or small, naturally serves as a distraction to a party-litigant. Even while represented by counsel, a litigant is still responsible for certain facets of the case, like presenting evidence and disputing claims, and thus cannot simply leave the course and conduct of the proceedings entirely to the discretion of his or her chosen counsel.⁵

This is precisely true in the case of the Chief Executive. The President is granted the privilege of immunity from suit to ensure the exercise of presidential duties and functions free from any hindrance or distraction.⁶ The President must devote full attention and energies to the high duties of his office, especially amid the grave challenges confronting the nation. Thus, even if represented by the Solicitor General, to embroil the President in litigation would still be to encumber the exercise of his paramount constitutional responsibilities, an intrusion the law will not countenance.

As succinctly explained in *David v. Macapagal-Arroyo*:⁷

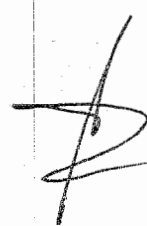
Settled is the doctrine that the President, during [their] tenure of office or actual incumbency, may not be sued in any civil or criminal case, and there is no need to provide for it in the Constitution or law. It will degrade the dignity of the high office of the President, the Head of

⁴ WHO Speech entitled, "Universal Coverage is the Ultimate Expression of Fairness," May 23, 2012, available at <https://www.who.int/director-general/speeches/detail/universal-coverage-is-the-ultimate-expression-of-fairness> (last accessed on September 25, 2025).

⁵ *De Lima v. Duterte*, 865 Phil. 578, 608 (2019) [Per C.J. Bersamin, *En Banc*].

⁶ *Aguinaldo v. Aquino III*, 801 Phil. 492, 521 (2016) [Per J. Leonardo-De Castro, *En Banc*].

⁷ 522 Phil. 705 (2006) [Per J. Sandoval-Gutierrez, *En Banc*].



State, if [they] can be dragged into court litigations while serving as such. Furthermore, it is important that [they] be freed from any form of harassment, hindrance[,] or distraction to enable [them] to fully attend to the performance of [their] official duties and functions. Unlike the legislative and judicial branch, only one constitutes the executive branch and anything which impairs [their] usefulness in the discharge of the many great and important duties imposed upon [them] by the Constitution necessarily impairs the operation of the Government. However, this does not mean that the President is not accountable to anyone. Like any other official, [they remain] accountable to the people but [they] may be removed from office only in the mode provided by law and that is by impeachment.⁸

Even more so considering that the matter principally involves the Congress's power of the purse and the President has already expressed his commitment to rectify any misstep on the part of government. As rightly observed and commended in the *ponencia*, the President avowed to return to the PhilHealth the sum of PHP 60 Billion remitted to the National Treasury.⁹ Further, as represented by the Office of the Solicitor General, the Department of Budget and Management (DBM) is already working with the Congress and the Executive to implement such restoration.¹⁰

Despite the finding that the transfer of PhilHealth's funds is unconstitutional, the government may nonetheless be considered in good faith

If We look back at recent history, there have been several notable instances where the government directed the transfer of funds from one agency to another. During the Ramos Administration, Executive Order No. 338, series of 1996, required all covered government offices and agencies to immediately transfer all funds deposited with banks to the Bureau of the Treasury (BTr).¹¹ Under the Arroyo Administration, Executive Order No. 431, series of 2005, mandated the Permanent Committee, which was composed of the DOF Secretary, the DBM Secretary, and the Commission on Audit (COA) Chairperson, to:

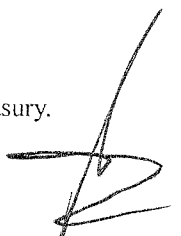
- a. examine, look into, and evaluate all existing cash deposits of whatever nature, whether foreign or local currency, maintained outside of the BTr with authorized government depository banks and other institutions by departments, bureaus, and all other agencies of the National Government;

⁸ *Id.* at 763-764.

⁹ *Ponencia*, p. 128.

¹⁰ *Id.* at 34-35.

¹¹ Executive Order No. 338 (1996), Directing the Deposit of Cash Balances to the National Treasury.



- b. review and determine the legal basis for the maintenance of said funds with authorized government depository banks or other institutions where the funds are deposited;
- c. prepare an inventory of the cash accounts of each and every department, bureau, and agency of the National Government; and
- d. recommend to the President the transfer thereof to the National Treasury where no legal impediment exists.¹²

In 2020, amid the COVID-19 pandemic, the Congress enacted Republic Act No. 11494, or “the Bayanihan to Recover as One Act,” which authorized the President to allocate cash, funds, investments, including unutilized or unreleased subsidies and transfers, held by any government-owned or -controlled corporation (GOCC) or national government agency to address the pandemic, viz.:

(ss) Notwithstanding any law to the contrary, the President is hereby authorized to allocate cash, funds, investments, including unutilized or unreleased subsidies and transfers, held by any GOCC or any national government agency in order to address the COVID-19 pandemic[.]¹³

During the oral arguments, *amicus curiae* and former DOF Secretary Margarito B. Teves explained the context under which Executive Order No. 338 was issued. He recalled that, at the time, the country faced significant financial challenges brought about by the Asian Financial Crisis, necessitating measures to source additional funds to support government operations. Similarly, when Executive Order No. 431 was issued, the country was experiencing a substantial budget deficit or rising public debt, creating an urgent need to identify and mobilize resources. Thus, if there were balances from special funds no longer required for their original purposes, the government could be granted flexibility to reallocate these funds to more pressing and urgent needs. In the same vein, Republic Act No. 11494 was later enacted to address the extraordinary fiscal requirements brought about by the COVID-19 pandemic.¹⁴

It merits emphasis that Executive Order Nos. 338 and 431 were never challenged before the Supreme Court, while the petition for *certiorari* and prohibition questioning the constitutionality of Republic Act No. 11494 was dismissed outright by the Court in *Ibañez v. Secretary Nograles*.¹⁵

The foregoing executive issuances underscore the roles of the DOF and the DBM as the principal fund managers of the National Government’s

¹² Executive Order No. 431 (2005), Reverting All Dormant Accounts, Unnecessary Special and Trust Funds to the General Fund and for Other Purposes.

¹³ Republic Act No. 11494, sec. 4(ss).

¹⁴ TSN of the Oral Arguments, April 3, 2025, pp. 82–84.

¹⁵ G.R. No. 252167, June 30, 2020 [Notice, *En Banc*].



cash resources to ensure efficiency and fiscal discipline. Consistent with Executive Order No. 292, or the “Administrative Code of 1987,” the DOF is primarily responsible for the sound and efficient management of the financial resources of the Government, its subdivisions, agencies, and instrumentalities. It is mandated to formulate and administer fiscal policies, as well as to generate and manage the financial resources of the government.¹⁶ Complementing this, the DBM is tasked with ensuring the efficient and sound utilization of government funds and revenues to effectively achieve our country’s development objectives.¹⁷ Our ruling in this case does not diminish the DOF and the DBM’s respective roles in government operations.

Significantly, Article VI, Section 25(5) of the Constitution authorizes the President, the President of the Senate, the Speaker of the House of Representative, the Chief Justice of the Supreme Court, and the heads of Constitutional Commissions, by law, to augment any item in the general appropriations law for their respective offices from savings in other items of their respective appropriations. In *Araullo v. Aquino III*,¹⁸ We recognized that the Executive is granted some degree of fiscal flexibility during budget execution to allow it to respond to unforeseeable contingencies. Thus, it can be said that the transfer of funds, standing alone, is not intrinsically illegal. When undertaken in strict compliance¹⁹ with the letter of the Constitution, it may fairly be viewed as a legitimate fiscal measure. The transfer of funds becomes improper only when it exceeds the limits imposed by the Constitution.

At this juncture, it is worth highlighting the Court’s disposition in cases involving notices of disallowance issued by the COA. In such cases, the Court has recognized certain circumstances as badges of good faith, including: (1) the existence of a Certificate of Availability of Funds pursuant to Section 40 of the Administrative Code; (2) reliance on an in-house or Department of Justice legal opinion; (3) the absence of jurisprudence disallowing a similar transaction; (4) that it is traditionally practiced within the agency and no prior disallowance has been issued; and (5) a reasonable textual interpretation supporting the legality of the act.²⁰

Although the present case does not directly involve a COA notice of disallowance, several comparable factors may likewise be considered as indicia of good faith on the part of government. As established during the oral arguments, PhilHealth sought a legal opinion from the Office of the Government Corporate Counsel (OGCC), which found sufficient basis for

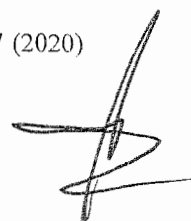
¹⁶ Executive Order No. 292, or the Administrative Code of 1987, Title II, Chapter 1, Secs. 1 and 2.

¹⁷ *Id.* Title XVII, Chapter 1, Sec. 2.

¹⁸ *Araullo v. Aquino III*, 752 Phil. 716 (2015) [Per J. Bersamin, *En Banc*].

¹⁹ *Id.* at 771.

²⁰ *Philippine Overseas Employment Administration v. Commission on Audit*, 890 Phil. 498, 527 (2020) [Per J. Gaerlan, *En Banc*].



the remittance to the National Treasury.²¹ It also consulted the Governance Commission for GOCCs (GCG) and the COA.²² Moreover, as earlier discussed, prior administrations have undertaken similar fund reallocations, and there is no precedent in jurisprudence disallowing a comparable measure.

In 2023, the Congress enacted Special Provision 1(d) as part of the 2024 GAA, and the following year, the DOF implemented it through DOF Circular No. 003-2024. Upon determining that PhilHealth has unused or idle funds, the DOF directed the transfer of these funds to the National Treasury. In the DOF's view, this fiscal measure was sound, as it conformed to the "use-it-or-lose-it" principle. In effect, both the Congress and the DOF were construing such act as abandonment under Article VI, Section 29(3) of the Constitution, which provides:

All money collected on any tax levied for a special purpose shall be treated as a special fund and paid out for such purpose only. If the purpose for which a special fund was created has been fulfilled or **abandoned**, the balance, if any, shall be transferred to the general funds of the Government. (Emphasis supplied)

As the *ponencia* aptly rules, sin tax collections that were remitted to PhilHealth as the indirect contributors' premiums are special funds allowed for a specific purpose. Since PhilHealth was not fully utilizing its special funds (it has historically shown low budget utilization rates and absorptive capacity), said funds may arguably be deemed "abandoned," such that they may be transferred to the general funds of the Government. The understanding of both the Congress and the DOF, therefore, may be regarded as a reasonable textual interpretation of Article VI, Section 29(3) of the Constitution, a badge of good faith.

It must also be underscored that the *ponencia* faulted the DOF for failing to consider the Provision for Insurance Contract Liability (ICL) in the computation of PhilHealth's fund balance.²³ The Provision for ICL is an estimate required by Accounting Standards to provide for future claims and expenses.²⁴ In an insurance business, it may be a good measure of the amount of probable outflow of cash or other economic resources.²⁵ However, it would be amiss not to point out that there are legitimate questions on the reliability of PhilHealth's estimate of its Provision for ICL.

²¹ *Rollo* (G.R. No. 274778), pp. 212–217. OGCC Opinion dated April 11, 2024.

²² TSN of the Oral Arguments, April 3, 2025, p. 134.

²³ *Ponencia*, pp. 87–90.

²⁴ The recognition of ICL was required by the Philippine Financial Reporting Standards (PFRS) 4. It was in 2021 when DOF directed the full compliance with PFRS 4. But PFRS 4 will soon be replaced by PFRS 17. Under PFRS 17, companies are required to use updated estimates and assumptions that reflect the timing of cash flows and any uncertainty (thus, it is more stringent than PFRS 4). Effective January 1, 2027, companies are required to adopt PFRS 17, but they may opt for early adoption.

²⁵ Philippine Accounting Standard 37.

On September 11, 2024, the COA rendered a qualified opinion on PhilHealth's Audited Financial Statements (AFS) for the years ended December 31, 2023 and 2022, and a disclaimer of opinion on the AFS ending December 31, 2022 because of significant doubts on the faithful representation of PhilHealth's Provision for ICL. To wit:

In our opinion, except for the matters discussed in the *Bases for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material aspects, the financial position of PhilHealth as at December 31, 2023 and 2022, and its financial performance and cash flows for the years ended, in accordance with Philippine Financial Reporting Standards (PFRS).

*Bases for Qualified Opinion*²⁶

The faithful representation in the FSs of Provision for Insurance Contract Liabilities (ICL) amounting to [PHP 1.150 Trillion] and [PHP 266.873 Billion] for the Calendar Years (CYs) 2023 and 2022, respectively, cannot be ascertained due to the following factors: a) the completeness and accuracy of the claims and premium data cannot be established, casting doubt on the reliability of the reported figures, b) the evaluation of the CY 2023 Actuarial Valuation Report, intended to assess the adequacy of the ICL, revealed inconsistencies and irregularities that affects its reliability and validity to third parties, c) the use of different measurement bases for the Provision for ICL diminishes the comparability of information in the FSs, hindering the users from making informed economic decisions, and d) the absence of reasonableness test on expense loading further undermines the reliability of the ICL account in the FSs, which are inconsistent with Philippine Accounting Standard (PAS) 1 – Presentation of FSs, Philippine Financial Reporting Standard (PFRS) 4 – Insurance Contracts, and Revised Conceptual Framework for Financial Reporting (CFFR).

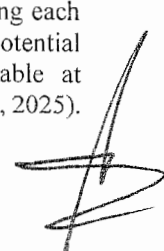
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Other Matter

In our previous report dated June 29, 2023, covering the calendar year ending December 31, 2022, *we did not express our opinion*²⁷ *on the fairness of the FSs due to the significant limitations in verifying the faithful representation of the Provision for ICL, Premium Contributions – Direct Contributors, Provision for Health Benefits – IBNR amounting*

²⁶ A **qualified opinion** is one that is issued when the auditor (a) having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statement (FS); or (b) is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concludes that the possible effects on the FS of undetected misstatements, if any, could be material but not pervasive, available at <https://www.coa.gov.ph/FAQS/what-is-a-qualified-opinion/> (last accessed on November 10, 2025).

²⁷ This is a **disclaimer of opinion**, which is issued when the auditor is unable to obtain sufficient appropriate evidence on which to base the opinion, and the auditor concludes that the possible effects on the FS of undetected misstatements, if any, could be both material and pervasive. A disclaimer is also rendered when, in extremely rare circumstances involving multiple uncertainties, the auditor concludes that, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties; it is not possible to form an opinion on the FS due to the potential interaction of the uncertainties and their possible cumulative effect on the FS, available at <https://www.coa.gov.ph/FAQS/what-is-a-disclaimer-of-opinion/> (last accessed on November 10, 2025).



to [PHP 266.873 Billion, PHP 139.475 Billion, PHP 95.907 Billion], respectively. Additionally, other asset, liability, expense, and revenue accounts were similarly affected.²⁸ (Emphases supplied)

Aside from the concerns raised by the COA, both *amici curiae* Sec. Teves and Professor Emeritus and Former Dean Orville Jose C. Solon also concluded that PhilHealth's estimate for Provision for ICL is unrealistic and overstated.²⁹ It is, therefore, reasonable for the DOF not to utilize the amounts represented by PhilHealth as its Provision for ICL in determining its fund balance.

As a final badge of good faith, the DOF Secretary conveyed during the oral arguments that the government is willing to restore to PhilHealth the amount remitted to the National Treasury should the Court so direct, subject to the inclusion of the said sum in the 2026 National Expenditure Program.³⁰

To prove this commitment, the President publicly announced on September 20, 2025 that he has ordered the return of PHP 60 Billion to restore PhilHealth's funds. He expressed that his decision allays public fear on the misuse of the funds and strengthens the services provided by PhilHealth.³¹ In line with this, the DBM stated on September 30, 2025 that it would restore the PHP 60 Billion by proposing a special provision in the 2026 GAA that would specify the source and intended use of the funds.³²

Lastly, any assertion that criminal acts such as technical malversation or plunder were committed by the government officials and legislative bodies involved in the implementation of Special Provision 1(d) and DOF Circular No. 003-2024 is unsubstantiated and improper in the proceedings before this Court.

In terms of procedure, We explicitly declined to determine criminal liability because the consolidated petitions were filed as civil actions for *Certiorari* and Prohibition, which are strictly limited to determining the existence of grave abuse of discretion. These are not proper remedies for determining criminal liability or declaring innocence. We cannot adjudicate or even suggest criminal culpability within this judicial scope, as the commission of a crime must be determined in a proper criminal action where the accused's guaranteed rights are observed.

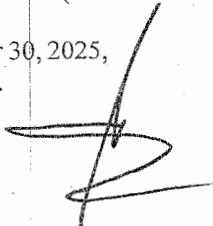
²⁸ COA's Auditor's Report dated September 11, 2024, available at <https://www.coa.gov.ph/reports/annual-audit-reports/aar-government-owned-and-or-controlled-corporations/#199-7267-philippine-health-insurance-corporation-2023-1708561753> (last accessed on November 10, 2025).

²⁹ Dean Orville B. Solon's Amicus Curiae Brief dated January 24, 2025; TSN of the Oral Arguments, April 3, 2025, p. 88.

³⁰ *Id.* at 125-126.

³¹ Ruth Abbey Gita-Carlos, *PBBM orders P60-B PhilHealth fund return for service expansion*, Philippine News Agency, September 20, 2025, available at <https://www.pna.gov.ph/articles/1259149> (last accessed on November 25, 2025).

³² Darryl John Esguerra, DBM: P60-B for PhilHealth to be restored via 2026 budget, September 30, 2025, available at <https://www.pna.gov.ph/articles/1259865> (last accessed on November 25, 2025).



Substantively, the requisite elements for both plunder and technical malversation are absent for all involved parties. For plunder, the core element of amassing or acquiring ill-gotten wealth is negated because the PhilHealth fund balance was remitted to the BTr and nowhere else. For technical malversation, a key element requires the funds to be “under [the offender’s] administration.” The PhilHealth Fund Balance was never under the administration of the DOF Secretary, thereby ruling out this specific charge.

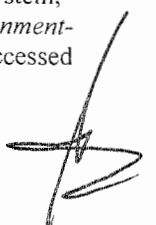
It cannot be emphasized enough that the actions of the executive and legislative officials lacked the necessary criminal intent or procedural irregularity. The DOF Secretary’s actions were strictly ministerial and were executed pursuant to the explicit and mandatory language of the provision of the 2024 GAA. As discussed above, they were characterized by institutional good faith and due diligence, as they relied on formal clearances from agencies like the OGCC, the COA, and the GCG. Similarly, the President’s actions, such as certifying the bill as urgent, were declared not unconstitutional, and Congress acted within its domain by exercising its constitutional power of the purse in enacting the GAA. Since the actions complied with the mandates provided by Congress, they failed to meet the substantive elements necessary to establish criminal charges.

That said, while I join the *ponencia* in holding that the transfer of PhilHealth funds is constitutionally infirm, I am persuaded that the government’s actions were made, at the very least, in good faith. Moreover, the allegations of technical malversation or plunder are clearly unfounded.

The ruling of the Court in this case must not be extended to automatically invalidate the PDIC’s transfer of funds

It bears emphasizing that PhilHealth was not the only GOCC that remitted funds to the National Treasury pursuant to Special Provision No. 1(d) and its implementing DOF Circular No. 003-2024. As admitted by the DOF Secretary during the oral arguments, the PDIC likewise remitted to the National Treasury pursuant to Special Provision No. 1(d) and DOF Circular No. 003-2024.³³

³³ Based on the DOF website, PDIC remitted PHP 107.23 Billion. See “PDIC remittance to the national government supports national development while maintaining a sound deposit insurance system,” January 12, 2025, available at <https://www.dof.gov.ph/pdic-remittance-to-the-national-government-supports-national-development-while-maintaining-a-sound-deposit-insurance-system/> (last accessed on September 28, 2025).



Even though the transfer of PDIC's funds was similarly anchored on Special Provision No. 1(d) and DOF Circular No. 003-2024, it is my considered view that the Court's present determination of their unconstitutionality should not be automatically extended to cover the PDIC's transfer of funds. To begin with, the *ponencia* struck down Special Provision No. 1(d) as unconstitutional for being a rider primarily because it amended or contravened the provisions of the UHCA and the Sin Tax laws, and infringed the people's right to health and right to an affordable, sustainable, and accessible public health care insurance. PDIC, however, operates under a wholly different statutory framework. The factual and legal conditions that rendered Special Provision No. 1(d) infirm in the healthcare context do not necessarily obtain in the case of PDIC, and there is yet no showing that the challenged transfer amends or violates the PDIC Charter or implicates comparable constitutional rights.

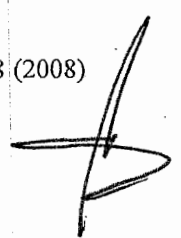
Neither do I agree with the *ponencia*'s reasoning that Special Provision 1(d) is ambiguous because it did not provide a definition of "fund balance" and "reasonable levels," such that the DOF was required to issue guidelines to supply the details for the implementation of Special Provision 1(d). In *Atitiw v. Zamora*,³⁴ We said that a provision is unambiguous when its application or operation is apparent on the face of the bill and it does not necessitate reference to details or sources outside the appropriations bill.³⁵ Here, it is apparent on the face of the 2024 GAA that the fund balance is "any remainder resulting from the review and reduction of their reserve funds to reasonable levels taking into account the disbursement from prior years." The 2024 GAA need not specifically define what constitutes "reasonable levels". We have recognized *reasonableness* as a valid and well-established legal standard. Various laws and jurisprudence apply the concept, such as the "reasonable person" under the Revised Securities Act, the "reasonable man" standard in negligence and purchase in good faith,³⁶ and "reasonable time" in contractual obligations, among others. The absence of a precise statutory definition does not render the concept vague, as reasonableness has long been understood through judicial interpretation and established legal doctrine.

Thus, on this score, I vote against a wholesale invalidation of Special Provision No. 1(d) of the 2024 GAA on the grounds of supposed ambiguity, amendatory effect on the UHCA, the Sin Tax laws, and infringement on the people's right to health and right to an affordable, sustainable, and accessible public health care insurance. Consequently, DOF Circular No. 003-2024, which was issued to implement Special Provision No. 1(d), should likewise be nullified as to PhilHealth only. It cannot be emphasized enough that any pronouncement of infirmity of Special Provision No. 1(d) of the 2024 GAA and DOF Circular No. 003-2024 should solely be limited to PhilHealth.

³⁴ 508 Phil. 321 (2005) [Per J. Tinga, *En Banc*].

³⁵ *Id.* at 336.

³⁶ *Securities and Exchange Commission v. Interport Resources Corporation*, 588 Phil. 651, 678 (2008) [Per J. Chico-Nazario, *En Banc*].

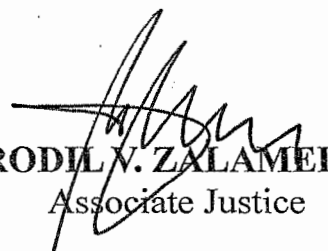


Moreover, the constitutionality of PDIC's fund transfer was not specifically raised as an issue in these proceedings. The relevant facts, statutory provisions, and fiscal policies affecting PDIC have not been fully ventilated before the Court. In the absence of a properly framed case or controversy, and consistent with the doctrine of judicial restraint and the due process rights of all stakeholders, there is as yet no factual or legal basis to strike down the transfer of PDIC's funds to the National Treasury. This stance is, of course, without prejudice to the decision's precedential effect should a proper case be brought before us.

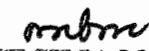
Lest there be doubt, the dispositive portion of the Court's Decision explicitly limits the declaration of unconstitutionality on the transfer of PhilHealth funds to the National Treasury, viz.:

Special Provision 1(d), Chapter XLIII of the 2024 General Appropriations Act, DOF Circular No. 003-2024, and the *transfer of the PHP 60 [B]illion fund balance of the Philippine Health Insurance Corporation* to the National Treasury are declared VOID for having been issued and implemented with grave abuse of discretion amounting to lack or excess of jurisdiction in violation of Sections 25(2), 25(5), and 29(3), Article VI, as well as Section 15, Article II and Section 11, Article XIII of the Constitution. (Emphasis supplied)

Ultimately, to stress, the ruling's invalidity of Special Provision No. 1(d) of the 2024 GAA and DOF Circular No. 003-2024 should be limited only to its application to PhilHealth (due to the unique statutory framework of the UHCA and Sin Tax Laws), thus preserving the provision's effect on other GOCCs whose funds are not restricted by similar special laws, thereby avoiding unnecessary disruption and maintaining fund management efficiency across government entities.


RODIL V. ZALAMEDA
Associate Justice

CERTIFIED TRUE COPY


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