

*full paper from
Ed Timigera
Liga ng mga
Barangay*

PROPOSED POSITION PAPER ON THE DEVOLVED FUNCTION ON THE DELIVERY OF HEALTH SERVICES

BACKGROUND:

The government desire to attain an improved government performance needs to institute reforms to transform itself. This is aggravated by ever growing pressures and challenges particularly on its financial resources to be used in the delivery of efficient and effective services to its citizenry.

Relative to this, President Gloria Macapagal-Arroyo issued Executive Order No.366, directing all departments, agencies and other instrumentalities of the national government to conduct a strategic review of their operations and organizations as well as provide options and incentives for government employees who may be affected by the rationalization of the functions and agencies of the Executive Branch.

To further improved government performance, institute reforms and further transform the bureaucracy into an efficient and result-oriented structure, the President also issued Executive Order No. 444, directing the Department of the Interior and Local Government to conduct strategic review on the continuing decentralization and devolution of services and functions of the National Government to LGUs.

The strategic review is aimed to come up with two (2) key outputs (1) a Committee Report to the President containing the functions, services, programs and activities that should be further devolved or decentralized, and courses of actions, policy and administrative proposals to implement the findings of the review and 2) Committee Position Papers on rationalization.

Subsequently, the DILG has conducted meetings with the different leagues namely Leagues of Provinces, Leagues of Cities, Leagues of Municipalities and Liga ng mga Barangay regarding the conduct of the strategic review. Thus, five (5) priority areas of devolved services were identified agriculture, environment, health social welfare, and LGU financing and fiscal management that were then subdivided among the leagues.

WHY DEVOLVED HEALTH SERVICES NOW

Executive Order No. 444 is geared towards the enhancement of local autonomy by means of identifying the functions, services, programs, projects and

activities of national agencies that should be further devolved¹ and offices that duplicate or unnecessarily overlap with those exercised by the LGUs that could further be devolved or decentralized without undermining their vital/core services and mandates and consistent with the provisions of the Local Government Code and to determine the extent of devolution of powers and transfer of assets, resources and personnel to local governments by the national government agencies and offices as identified to be devolved under the Local Government Code in order to achieve real fiscal autonomy.²

LEGAL MANDATES AND OTHER LAWS

On October 10, 1991, President Corazon Aquino signed into law Republic Act 7160 of the Local Government Code, the Code defined wider areas for genuine self-rule. Principally based on Article 10 of the 1987 Constitution, the Code mandates, among other things, that the territorial and political subdivisions of the Republic shall enjoy local autonomy. According to Senator Aquilino Pimentel the principal sponsors of the bill, the Code was passed "to accelerate the development of the nation and to help change the culture of dependency among Filipinos.

With the passage of RA 7160, local government units are mandated to institute management systems that would translate to better and more efficient delivery of basic services (LGUs). Thus, the code features the following; (1.) It devolves to local government units the responsibility for the delivery of basic services that has always belonged to the national government; (2.) It grants local government units significant regulatory powers that traditionally belonged to the national agencies. (3). It significantly increases the financial resources available to local government units through increased internal revenue allotment (IRA) (4). It recognizes-and encourages-the active participation of the private sector, nongovernmental organization and people's organizations in the processes of governance.

Attention is invited to some of the provision provided under the same Code.

Section 16.General Welfare.- Every local government units shall exercise the powers expressly granted , those necessarily implied there from, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare. Within their respective territorial jurisdictions, local government units shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant, scientific and technological capabilities, improve public morals,

¹ Section 17, RA 7160 (The Local Government Code of 1991)

² Executive Order No. 444 dated July 5, 2005

enhance economic prosperity and social justice, promote full employment among their residents, maintain peace and order, preserve the comfort and convenience of their inhabitants.

Section 17. Basic Services and Facilities.-

b. Such basic services and facilities include, but are not limited to the following:

1. For a Barangay

(ii) Health and Social welfare services which include maintenance of barangay health center and day-care center

2. For a Municipality

(iii) Subject to the provisions of Title Five, Book I of this Code, health services which include the implementation of programs and projects are primary health care, maternal and childcare, and communicable and non-communicable disease control services; access to secondary and tertiary health services, purchase of medicines, medical supplies, and equipment needed to carryout the services herein enumerated;

3. For a Province:

(iv) Subject to the provisions of Title Five, Book I of this Code, health services which include hospitals and other tertiary health services;

4. For a City (as specified in DOH IRR of the Local Government Code)

- a. The City Health Office which includes the city hospital(s), health centers or rural health units, and barangay health stations;
- b. Provision of medical, hospital and other support services which include primary, secondary, and tertiary health services in the foregoing health facilities;
- c. Purchase of drugs, medicines, and medical supplies, materials and equipment for the foregoing health facilities;
- d. Primary Health Care and other field health services such as, but not limited to the following: maternal and child care, nutrition, family planning, dental health, environmental health; and communicable and non-communicable disease control

The said Code clearly devolves the delivery of basic services and the operation and maintenance of local health facilities from the Department of Health (DOH) to provinces, cities, and municipalities. Local government unit is now responsible for the performance of functions that were mandated previously

in the said agency. These functions comprise the following: (1) general control and supervision over devolved personnel and facilities, (2) the operation and maintenance of local health facilities like provincial hospitals and health centers, (3) service delivery such as the implementation of promotive, preventive, curative, and rehabilitative health programs and services, and (4) regulatory functions such as the formulation and enforcement of local ordinances related to health, nutrition, sanitation, and other health related concerns. In a devolved set-up, the DOH exercises oversight and regulatory functions, provides technical assistance, formulates standards and guidelines, and manages the operation of retained hospitals, regional medical centers, regional training and/or teaching hospitals, specialized health facilities, and national government hospitals.³

Prior to the enactment of RA 7160, the Department of Health have undergone series of changes in its system. In 1983 the World Health Organization (WHO) introduced the District Health System to improve efficiency and effectiveness in the delivery of health services. District Health Offices were further established in 1987 under Executive Order No. 119. Hospital and public health services were integrated at all levels of administration. However, major changes ensued in the delivery of health services, health personnel morale, and sustainability of gains previously made. In 1999, Health Sector Reform Agenda (HSRA) was crafted to address the abovementioned functions. The said agenda guides the health sector and the LGUs in implementing health delivery services specifically in five areas namely; a) Local Health Systems Development which promote the development of local health systems and ensure its effective performance; b) Public Health Reforms which secure funding priority public health programs; c) Hospital Reforms which seek to provide fiscal autonomy to government hospitals; d) Health Regulations Reforms that strengthen the capacity of health regulatory agencies and ; e) Health Care Financing that expand the coverage of the National Health Insurance Program (NHIP).

WHAT IS THE STATE OF DEVOLUTION OF THE HEALTH SECTOR TODAY

Stated in the Department of the Interior and Local Government/Bureau of Local Government Supervision's Local Governance Performance Management System, *"the state of development refers to the socio-economic and environmental conditions in a locality."* This manifests the results of actions or inaction of government and other stakeholders, sectors and individuals, intentional or otherwise. In order to determine the state of devolution of the health sector today, below are the indicators used in the said system;

- Percentage of malnourished children;
- Infant mortality rate;
- Mortality rate of children aged 1-5 years old

³ FACING UP TO THE HEALTH CHALLENGE, Service Delivery with Impact: Resource Books for Local Government

- Mortality rate and
- Morbidity rate

According to the Department of Health, there is a better health care services and improved health state of health of all Filipinos today. Furthermore, it mentioned that the Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) has declined, but moving at a slow rate since 1992.⁴

In cognizant of the above-mentioned conditions, there is an urgent need to institute reforms to be able to effectively improve the delivery of health services particularly with the threats of new diseases i. e. avian flu and other life-threatening diseases brought about by development. Moreover, the rising cost of health care is to be considered as well as, the cost of medicine that is beyond the reach of the ordinary people.

Decentralization was expected to reduce corruption, especially in drug procurement. Yet for the most part, these have been the sources of corruption. These problems are demoralizing the ranks of doctors assigned to the more than 1,600 rural health units (RHUs) and urban health centers. Problems have dogged the devolution of health services from the start. Unprepared local governments had trouble paying for the salaries and benefits of about 70,000 health workers and to run health centers and hospitals now under their jurisdiction. Based on the 2003 National Demographic and Health Survey found more Filipino households visiting public health centers than private clinics and hospitals. Barangay health stations, which are supervised by the RHUs and urban health centers are the most clients, followed by the RHUs and urban health centers themselves.

Based on the Special Report of the PCIJ published in The Manila Times last May 3, 2005, local government units often give low priority to health. Local health workers have also been denied many of the benefits they are entitled to under the law for lack of attention paid by local governments to health. The devolution of health services in 1993 has not changed that mindset. Thus, local officials still emphasizing infrastructure over health, new jobs and aid to the poor.⁵

Furthermore, in areas where there is a strong collaboration between three (3) key players – re: civil society, business sectors, and LGUs – these are well on their way to adequately meet the needs of the respective constituencies.

⁴ Reengineering for Reforms, The State of the Nation's Health, December 2001, Health Policy Development and Planning Bureau Department of Health and the Health Sector Reform Technical Assistance Project, Manila, Philippines

⁵ US-based Center for Institutional Reform and Informal Sector

But in places where there is weak leadership or poor governance practice, health care service delivery is in a dismal state, approaching crisis proportion.

Mainly, it's the lack or inadequacy of financial resources and trained and dedicated health care workers that are at the root of health needs or gaps.

Also, accurate, authoritative and reliable health information, plus social marketing of health programs and practices, is badly needed.

As mentioned above, the devolution and decentralization of health care service to LGUs have aggravated the discrepancies and inequities in the allocation or distribution of public goods, services and facilities.

However, for some LGUs, the process has been favorable, especially those LGUs which are resource-rich.

There are several issues and concerns to address an effective performance by LGUs of devolved/decentralized mandates:

- Lack of capacity and capability of most LGUs to generate statistics, profile, facts or data for local planning and decision-making purposes;
- Absence or lack of a common/overall collaborative framework for reforms and development at the grassroots/neighborhood community level, which incorporates the entire spectrum of roles and responsibilities of each family, neighborhood community associations, groups and barangays, participating mechanisms, modes and processes, local governance and the comprehensive and integrated delivery of basic services with each one exercising their rights, performing their obligations to family, society, nation and the world – and harnessing human development and empowerment as both ends and means;
- Low level of citizen involvement and participation in local governance due to alienation, exclusion and poverty;
- Fiscal transfers are unfair, inadequate and inequitable or biased wherein provincial and district hospitals perform poorly due to the financial constraints of the LGUs.
- Absence of an LGU management/governance system for each LGU level;

- Lack of innovation and creativity in adapting measures for resource generation, mobilization and asset management at the LGU level;
- Private and business sectors are still lukewarm or apprehensive in playing a key role as alternative funding mechanism sources;
- Local special bodies, e.g. Barangay Development Council, etc., are either not operative, dysfunctional or lack capacity or technical competencies and administrative savvy;
- Poorly designed training and development programs for building capabilities of local officials;
- Central government has not given priority and consistent support to capability and regulate it to meet specific standards;
- Lack of clarity in scope, extent and standards in the performance or delivery of functions and services;
- Devolution was not systematically undertaken or pursued, resulting in duplication and redundancy, and thus, inefficiency;
- Devolved or delegated mandates (functions and responsibilities) were decentralized but it excluded adequate budgetary resources;
- No operations manuals to coach, guide or facilitate LUG structural and functional reforms or changes, along with new mandates;
- Line agencies' functionaries found wanting in getting their acts together for better coordination and collaboration – making program piece-meal, hodge-podge, fragmented and compartmentalized without anyone integrating, consolidating, and clustering mandates into a coherent and simplified system to[facilitate delivery and provision of basic services; and
- Relationships between local chief executives and central government/line agencies were generally “one-way assumptions” via issuances, directives, memos, instructions, gimmicks, and political displays without benefit of consultations or dialogues making local governance confusing and more complex that it already is or was.

WHAT DO LGUs RECOMMEND CONCERNING CONTINUING DEVOLUTION/ DECENTRALIZATION AND THE CURRENT RATIONALIZATION PROGRAM OF THE GOVERNMENT

1. A moratorium in the creation of a local government unit until such time a thorough review has been done to assess the effectiveness and efficiency of the devolution of all services as well as avoid the further depletion of scarce resources.
2. There shall be a collective effort among stakeholders to gauge and assess the impact and effects of devolution / decentralization on:
 - Governance;
 - Service delivery and provision;
 - Local Revenue collection;
 - Local expenditures and investments;
 - People / citizen engagement and participation; and
 - Good governance norms and principles application.

Furthermore, to assess the impact the following are some of the recommendations; empowering the local health board-policies, implementation of health programs, budget, and Barangay Health Workers membership approval; Institutionalizing NGO-PO-GO Cooperation at all levels (barangay, municipal, provincial and national levels), establishing and strengthening inter-local health systems and their subsystems (integrated health planning, referral system, health information system, drug management, human resource development, and financial management), Ensuring continuity of relevant health programs regardless of who the leader will be.

Moreover, the LGUs shall undergone the redefining of the functional relationship between regional offices and LGUs in providing technical assistance and setting standards.

3. Implement RA 7883 Barangay Health Workers incentives and continuing education, non-monetary benefits.
4. Develop career path for health officials and employees at the local level
5. Develop a system to encourage doctors, midwives, and nurses to work outside Metro Manila and other urban metropolitan centers
6. Encourage or even require medical and paramedical students/graduates to render rural or urban poor service Institutionalize information/public information units up to the barangay level to improve health intelligence/statistics

7. Strengthen inter-agency cooperation on various aspects of health research (Health Intelligence Service, PCHRD, Department of Science and Technology)
8. Increase the Internal Revenue Allotment (IRA) for health to a fixed percentage.
6. Increase budget for health to five (5) percent of national and local budget
7. Provide fiscal government autonomy to hospitals to reduce their dependence on direct subsidies from government.
11. Address gaps, put safeguards, and review the National Health Insurance Act
12. Develop a policy and program to consolidate all emergency medical services in the country with regard to disaster preparedness to establish the necessary protocol in giving adequate, timely, appropriate medical care to emergency cases, and giving adequate hospital care (Pinoy 911)⁶

⁶ Policy Issues and Recommendations as provided in the Service Delivery With Impact: Resource Books for Local Government