

Item No.: 10

Date: 09 2025 SEP



Republic of the Philippines
PROVINCE OF LEYTE
Provincial Capitol
Tacloban City

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PROVINCIAL LEGAL OFFICE

Province of Leyte
Legal Office
Date: 9.1.25
Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: SEP 02 2025
By: [Signature]

2nd INDORSEMENT
August 20, 2025

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through the SP Secretary, the attached Ordinance No. 25-18¹ of the Sangguniang Bayan of Burauen, Leyte.

Issues/concerns for review/recommendation/legal opinion is/are as follows:

- Ordinance No. 25-18¹ entitled: **“PhilHealth Capitation Fund Utilization Ordinance of 2025 for the Trust Fund -PhilHealth (HCI Charges) Account.”**

REVIEW/RECOMMENDATION/LEGAL OPINION:

This office is of the opinion that the subject Ordinance is generally in accordance with its power under Section 447(a)(2)(i)¹ of the Local Government Code of 1991 (R.A 7160). Hence, we recommend for the declaration of its validity.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on the facts available and may vary or change when additional facts and documents are presented or changed. This opinion is likewise without prejudice to the opinions rendered by higher and competent authorities and/or the courts.


ATTY. JOSE RAYMUND A. ACOL
Provincial Legal Officer

¹ (i) Approve the annual and supplemental budgets of the municipal government and appropriate funds for specific programs, projects, services and activities of the municipality, or for other purposes not contrary to law, in order to promote the general welfare of the municipality and its inhabitants;

Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte
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OFFICE OF THE SANGGUNIANG PANLALAWIGAN

1ST INDORSEMENT
18 July 2025



The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **Municipal Ordinance No. 25-18, series of 2025**, of the **Municipality of Burauen, Leyte**, entitled: **An Ordinance establishing guidelines for the utilization of capitation funds derived from the Philippine Health Insurance Corporation (PHILHEALTH) claims packages in the Municipality of Burauen, Leyte.**


FLORINDA JILL S. DYVICO
Secretary to the Sanggunian



Republic of the Philippines
PROVINCE OF LEYTE
MUNICIPALITY OF BURAUEN



OFFICE OF THE SANGGUNIANG BAYAN

July 15, 2025

THE HONORABLE MEMBERS
Sangguniang Panlalawigan
Province of Leyte

ATTENTION: FLORINDA JILL S. UYVICO
Secretary to the Sanggunian
Province of Leyte
Palo, Leyte

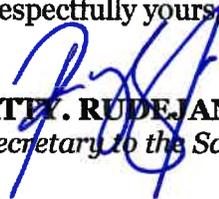
Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: JUL 18 2025
By: [Signature]

Ladies/Gentlemen:

We transmit herewith 15 copies of **Municipal Ordinance No. 25-18**, Series of 2025 of the Sangguniang Bayan of Burauen, Leyte, entitled "**An Ordinance Establishing Guidelines for the Utilization of Capitation Funds Derived from Philippine Health Insurance Corporation (PhilHealth) Claims Packages in the Municipality of Burauen, Leyte**", for review and approval of the body.

Thank you and please acknowledge receipt hereof.

Respectfully yours,


ATTY. RUDEJANE S. TAN
Secretary to the Sanggunian



Republic of the Philippines
 Province of Leyte
 Municipality of Burauen



OFFICE OF THE SANGGUNIANG BAYAN

**MUNICIPAL ORDINANCE NO. 25-18
 Series of 2025**

Sangguniang Panlalawigan
 Province of Leyte
RECEIVED
 JUL 18 2025
 Date: June

AN ORDINANCE ESTABLISHING GUIDELINES FOR THE UTILIZATION OF CAPITATION FUNDS DERIVED FROM PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH) CLAIMS PACKAGES IN THE MUNICIPALITY OF BURAUEN, LEYTE

Authored by Hon. Fe S. Renomeron

WHEREAS, the Municipality of Burauen is committed to ensuring the health and well-being of its constituents;

WHEREAS, the Philippine Health Insurance Corporation (PhilHealth) provides various claims packages, including capitation funds for primary care services, aimed at improving access to and quality of healthcare;

WHEREAS, it is imperative to establish clear and transparent guidelines for the proper and efficient utilization of these capitation funds to maximize their impact on the health outcomes of the community;

WHEREAS, the Sangguniang Bayan recognizes the need for a local ordinance to govern the allocation, management, and monitoring of PhilHealth capitation funds within the Municipality of Burauen;

NOW, THEREFORE, BE IT ORDAINED by the Sangguniang Bayan of the Municipality of Burauen, Province of Leyte, in session duly assembled, that:

ARTICLE I. TITLE

Section 1. This Ordinance shall be known as the "**PhilHealth Capitation Fund Utilization Ordinance of 2025 for the Trust Fund – PhilHealth (HCI Charges) Account.**"

ARTICLE II. DECLARATION OF POLICY

Section 2. It shall be the policy of the Municipality of Burauen to ensure the judicious, transparent, and accountable utilization of capitation funds derived from PhilHealth Claims Packages to strengthen the delivery of primary healthcare services, improve health outcomes, and promote universal health coverage for all its residents.

ARTICLE III. DEFINITION OF TERMS

Section 3. For the purpose of this Ordinance, the following terms shall be defined as:

- a. **Capitation Fund:** A fixed amount of money paid by PhilHealth on a per-member per-month basis to accredited healthcare providers for delivering a defined set of primary care services to a registered population.
- b. **PhilHealth Claims Packages:** The various health service benefits offered by the Philippine Health Insurance Corporation to its members.

Municipal Ordinance No. 25-18, Series of 2025; May 19, 2025
 "PhilHealth Capitation Fund Utilization Ordinance of 2025 for the Trust Fund – PhilHealth (HCI Charges) Account"

Renomeron

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- c. **Primary Healthcare Facility:** Any health facility, public or private, accredited by PhilHealth to provide primary healthcare services within the Municipality of Burauen and receiving capitation funds. This may include but is not limited to Rural Health Units (RHUs), Barangay Health Stations (BHS), and private clinics.
- d. **Implementing Health Facility/Unit:** The specific health facility or unit within the Municipality of Burauen responsible for directly providing the services covered by the capitation fund.
- e. **Direct Healthcare Costs:** Expenses directly related to the provision of primary healthcare services covered by the capitation fund, such as personnel salaries for healthcare providers, medical supplies and equipment, medicines, and utilities directly used for service delivery.
- f. **Indirect Healthcare Costs:** Expenses that support the delivery of primary healthcare services but are not directly attributable to a specific service, such as administrative costs, training and capacity building for health personnel, health information systems, and monitoring and evaluation activities.
- g. **Work and Financial Plan (WFP):** A detailed plan outlining the specific activities, targets, and corresponding budget for the utilization of the capitation fund, aligned with the local health priorities and PhilHealth guidelines.

ARTICLE IV. SCOPE OF APPLICATION

Section 4. This Ordinance shall apply to all capitation funds received by the Municipality of Burauen or its accredited Primary Healthcare Facilities through its *Trust Fund – PhilHealth (HCI Charges) Account* from PhilHealth Claims Packages, including, but not limited to:

- a. Maternal Care Package;
- b. Newborn Care Package;
- c. Tuberculosis Package (Intensive and Maintenance Phases);
- d. Family Planning Package;
- e. Animal Bite Package (Rabies Post-exposure Prophylaxis);
- f. PhilHealth Konsulta Package;
- g. Outpatient Therapeutic Care Benefit Package for Severe Acute Malnutrition (SAM);
- h. Preventive Oral Health Services; and
- i. Outpatient Benefits Package for Mental Health

ARTICLE V. GUIDELINES FOR UTILIZATION OF CAPITATION FUNDS

Section 5. Allowable Expenditures: The capitation funds shall be utilized primarily for the following, in accordance with PhilHealth guidelines and the approved Work and Financial Plan:

- a. **Personnel Services:** Salaries, wages, compensation, honoraria, and benefits for healthcare professionals (e.g., physicians, nurses, midwives, community health workers) and essential non-health personnel directly involved in the delivery of primary healthcare and related services, including visiting consultants (e.g., psychiatrist, psychologist, nephrologist, pathologist).
- b. **Medical and Dental Supplies and Equipment:** Procurement and maintenance of essential medical and dental supplies, medicines, vaccines, reagents, and basic medical and dental equipment necessary for the provision of primary care services.
- c. **Infrastructure and Facility Maintenance, Improvement and Construction:**

1. Minor repairs, maintenance, and upgrading of existing Primary Healthcare Facilities (e.g., Rural Health Units, Barangay Health Stations) to ensure a safe, accessible, and conducive environment for service delivery. All such activities shall be subject to existing local government regulations and approval processes.
 2. Construction of new infrastructure or significant expansion of existing ones, subject to demonstrated need, compliance with all applicable laws and regulations, prior approval from relevant local government bodies, and availability of sustainable funding.
- d. **Health Promotion and Education:** Implementation of community-based health promotion and education programs aligned with local health priorities and aimed at improving health literacy and promoting healthy lifestyles. This may include expenses for materials, speaker or resource person fees, venue rental, and necessary equipment (e.g., microphone, monitor, projector, speaker).
 - e. **Disease Prevention and Control:** Activities related to the prevention and control of communicable and non-communicable diseases, including screening programs, immunization campaigns, and health surveillance.
 - f. **Referral Systems:** Strengthening referral mechanisms and establishing linkages with higher-level healthcare facilities, laboratories (e.g., for subsidized pap smear analysis), and pharmacies through Memoranda of Agreement (MOAs) or other arrangements. Allowable expenditures may include MOA development, transportation and communication for referrals, subsidies for diagnostics at partner facilities, honoraria for visiting consultants, referral database/tracking system costs, printing of referral forms, coordination meetings, and telemedicine setup/operations.
 - g. **Training and Capacity Building:** Development and implementation of training programs for healthcare providers and support staff to enhance their skills and knowledge in delivering quality primary healthcare services. Allowable expenses include resource speaker honoraria, seminar registration fees, payment for accommodation of attendees and resource speakers, training kits, and venue rental.
 - h. **Monitoring and Evaluation:** Activities related to the monitoring and evaluation of the utilization of capitation funds and the impact of the services delivered on the health outcomes of the community, including necessary logistical costs such as food for participants directly involved in these activities.
 - i. **Administrative Costs:** A reasonable portion of the capitation fund may be allocated for administrative costs directly related to the management and implementation of the primary healthcare services, subject to limitations set by PhilHealth and this Ordinance. This includes, but is not limited to, licensing and accreditation fees (e.g., DOH and PhilHealth accreditation).
 - j. **Internet Subscription:** Expenses related to internet subscription for efficient communication and data management, as well as the procurement and maintenance of necessary IT hardware.
 - k. **Health Vehicle Acquisition:** Procurement and maintenance of vehicles necessary for the delivery of health services, such as patient transport vehicles, ambulances, and mobile clinics.
 - l. **Other Related Expenses:** Other necessary expenses directly related to the efficient and effective operation of the Municipal Health Office and the delivery of primary healthcare services in Burauen, as aligned with the approved Work and Financial Plan and PhilHealth guidelines.

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Section 6. Prohibited Expenditures: The capitation funds shall **not** be used for the following:

- a. Political activities or partisan purposes.
- b. Personal expenses of health personnel or administrative staff not directly related to their duties in providing primary healthcare services.
- c. Activities or expenditures not aligned with the objectives of the PhilHealth Claims Packages and the local health priorities.

Section 7. Utilization of Lump Sum Capitation Funds Without Prescribed Performance Incentive Sharing: This Section shall apply to instances wherein PhilHealth downloads the full amount of capitation funds for specific healthcare packages (such as, but not limited to, the PhilHealth Konsulta Package and future similar packages) into the *Trust Fund – PhilHealth (HCI Charges) Account* as a lump sum, without explicitly providing guidelines or a mechanism for the sharing or disbursement of performance incentives to healthcare providers and staff.

Unless otherwise determined by a subsequent resolution or ordinance enacted by the Sangguniang Bayan, twenty percent (20%) of the total capitation funds downloaded in a lump sum to the Trust Fund – PhilHealth (HCI Charges) Account for packages covered under Section 7(a) shall be allocated specifically for performance incentives. The remaining eighty percent (80%) shall be utilized for other allowable expenditures as outlined in Section 5 of this Ordinance.

The breakdown of the 20% allocated for performance incentives is as follows:

Personnel Category:	Percentage:
Doctors	10%
Health Personnel	30%
Non-Health Personnel	4%
PhilHealth Encoders	6%
BHW/BNS/BSPO	48%
Administrative Staff	2%

ARTICLE VI. WORK AND FINANCIAL PLAN (WFP)

Section 8. An annual Work and Financial Plan (WFP) for the utilization of the capitation fund shall be prepared by the Municipal Health Office in consultation with the implementing Primary Healthcare Facilities/Units and other relevant stakeholders. The WFP shall include, but not be limited to:

- a. Specific objectives and targets aligned with local health priorities and PhilHealth guidelines.
- b. Detailed activities to be undertaken.
- c. Corresponding budget allocation for each activity, categorized according to allowable expenditures.
- d. Performance indicators for monitoring progress and impact.
- e. Procurement plan for goods and services, in accordance with existing procurement laws and regulations.

Section 9. The approved WFP shall be submitted to the Sangguniang Bayan for information.

ARTICLE VII. MONITORING AND EVALUATION

Section 10. The Municipal Health Office shall establish a system for monitoring and evaluating the utilization of the capitation fund and the performance of the implementing Primary Healthcare Facilities/Units. This system shall include:

- a. Regular collection and analysis of data on service delivery and expenditures.
- b. Periodic performance reviews and audits.

- c. Assessment of the impact of the services delivered on the health outcomes of the community.

Section 11. The Local Health Board shall review the monitoring and evaluation reports and provide recommendations for improvement.

ARTICLE VIII. SEPARABILITY CLAUSE

Section 12. If, for any reason, any provision of this Ordinance or any part thereof shall be held to be invalid or unconstitutional, the remaining provisions or parts thereof shall not be affected thereby and shall continue to be in full force and effect.

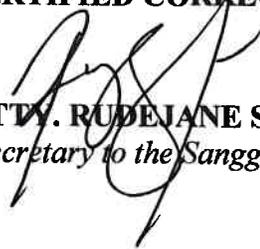
ARTICLE IX. REPEALING CLAUSE

Section 13. All ordinances, resolutions, executive orders, rules and regulations, or parts thereof, which are inconsistent with or contrary to the provisions of this Ordinance are hereby repealed¹ or modified accordingly.

ARTICLE X. EFFECTIVITY CLAUSE

Section 14. The effectivity of this Ordinance is hereby retroacted to March 1, 2025, provided that the required posting and publication are satisfied, as prescribed under the Local Government Code of 1991.

CERTIFIED CORRECT:


ATTY. RUDEJANE S. TAN
Secretary to the Sanggunian

ATTESTED:


HON. NOEL P. ALPINO
*Municipal Vice Mayor
Presiding Officer*

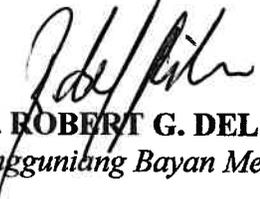

HON. VINCENT G. ENERLAN
Sangguniang Bayan Member


HON. CIPRIANO R. RELATORRES, JR.
Sangguniang Bayan Member


HON. HERMENIA C. CAMASIN
Sangguniang Bayan Member


HON. BRYAN R. CINCO
Sangguniang Bayan Member


HON. DEXTER R. SENO
Sangguniang Bayan Member


HON. ROBERT G. DEL PILAR
Sangguniang Bayan Member

(absent)
HON. EVAFE A. CORAL
Sangguniang Bayan Member


HON. OSCAR A. CAGARA
Sangguniang Bayan Member

Renomeron
HON. FE S. RENOMERON
LnB President/ Ex-Officio SB Member

Justine
HON. JUSTINE MERP G. ANDRADE
SK Federation President/ Ex-Officio Member

APPROVED:

Juanito E. Renomeron
HON. JUANITO E. RENOMERON
Municipal Mayor



Republic of the Philippines
PROVINCE OF LEYTE
MUNICIPALITY OF BURAUEN



OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATE OF POSTING

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that **Municipal Ordinance No. 25-18**, Series of 2025 of the Sangguniang Bayan of Burauen, Leyte, entitled, “**An Ordinance Establishing Guidelines for the Utilization of Capitation Funds Derived from Philippine Health Insurance Corporation (PhilHealth) Claims Packages in the Municipality of Burauen, Leyte**”, was enacted on May 19, 2025, approved on even date, and has been posted in two (2) conspicuous and publicly accessible places of the municipality from *May 21, 2025 to June 10, 2025*, in compliance with Section 59, paragraph (b) of Republic Act No. 7160, otherwise known as the “Local Government Code of 1991”.

Burauen, Leyte, June 16, 2025.


ATTY. RUDEJANE S. TAN
Secretary to the Sanggunian