



REPUBLIC OF THE PHILIPPINES  
**SANGGUNIANG PANLUNGSOD**  
CITY OF MANDALUYONG



**RESOLUTION NO. 3242, S-2023**

**RESOLUTION AUTHORIZING THE HONORABLE CITY MAYOR BENJAMIN S. ABALOS TO ENTER INTO AND SIGN THE MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF HEALTH (DOH), PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH) AND THE CITY GOVERNMENT OF MANDALUYONG RELATIVE TO THE IMPLEMENTATION OF THE UNIVERSAL HEALTH CARE ACT OF 2019 AND ITS CORRESPONDING LOCAL HEALTH SYSTEM REFORMS**

WHEREAS, the City Government of Mandaluyong has the responsibility to provide for the general welfare of its residents, particularly providing quality medical and health care service;

WHEREAS, the City Government of Mandaluyong endeavors to fully implement the corresponding local health system reforms envisioned under the Universal Health Care Act of 2019, particularly the integration of local health systems into city-wide health systems.

WHEREAS, the Department of Health and the Philippine Health Insurance Corporation are both mandated to provide for technical and financial support to all local government units seeking either provincial or city-wide health system integration;

WHEREAS, all of the above parties are eager to work together to fully achieve the envisioned reforms mandated by the above-mentioned health care legislation, particularly on the city-wide integration of the local health system of Mandaluyong City;

WHEREAS, a Memorandum of Understanding has been drafted to cover this partnership and collaboration between the Department of Health, the Philippine Health Insurance Corporation and the City Government of Mandaluyong;

WHEREAS, relative thereto, the City Legal Department reviewed the draft Memorandum of Understanding that will govern the parties' complementary rights and obligations, and the same has been found to be reasonably and properly crafted and in accordance with law.

NOW, THEREFORE, on motion duly seconded, the Sangguniang Panlungsod of Mandaluyong, in session assembled, RESOLVED, as it hereby RESOLVES, to authorize the Honorable Mayor Benjamin S. Abalos to enter into and sign the Memorandum of Understanding with the Department of Health (DOH), Philippine Health Insurance Corporation (Philhealth) and the City Government of Mandaluyong relative to the implementation of the Universal Health Care Act of 2019 and its corresponding Local Health System Reforms.

RESOLVED, that copy of this Resolution be furnished to the Office of the City Mayor, City Administrator, City Health Officer and City Accounting Department for their information and guidance.


ADOPTED on this 20<sup>th</sup> day of February 2023, in the City of Mandaluyong.

I HEREBY CERTIFY THAT THE FOREGOING RESOLUTION WAS ADOPTED BY THE SANGGUNIANG PANLUNGSOD OF MANDALUYONG IN A REGULAR SESSION HELD ON THE DATE AND PLACE FIRST ABOVE GIVEN.




  
MA. TERESA S. MIRANDA  
Sanggunian Secretary

ATTESTED BY:

  
CARMELITA A. ABALOS  
City Vice Mayor &  
Presiding Officer

APPROVED BY:

BENJAMIN S. ABALOS   
City Mayor

Date: \_\_\_\_\_

## MEMORANDUM OF UNDERSTANDING

(Universal Health Care Integration Sites)

### KNOWN ALL MEN BY THESE PRESENTS:

This Memorandum of Understanding (MOU) is made and entered into this \_\_\_\_ day of \_\_\_\_ 2022, by and among:

The **Department of Health** with principal office address at Building 1, San Lazaro Compound, Rizal Avenue, Sta. Cruz, 1003 Manila (hereinafter referred to as the "DOH"), represented herein by the OIC-Secretary of Health, **Maria Rosario Clarissa S. Vergeire, MD, MPH**;

The **City Government of Mandaluyong** with principal office address at Maysilo Circle Brgy. Plainview, Mandaluyong City (hereinafter referred to as the "LGU-MANDALUYONG"), represented by its City Mayor, **Hon. Benjamin S. Abalos**;

and

The Philippine Health Insurance Corporation with principal office address at Citystate Centre, 709 Shaw Boulevard, Pasig City (hereinafter referred to as the "PhilHealth"), represented by its President and Chief Executive Officer Emmanuel R. Ledesma Jr.

### WITNESSTH THAT:

**WHEREAS**, COGNIZANT of the fact that it is the declared 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 people at affordable cost, by virtue of Section 11, Article XIII of the 1987 Constitution;

**WHEREAS**, BEARING IN MIND that the provision of basic health services and facilities is one of the core duties and functions vested upon all local government units (LGUs), and that LGUs may group themselves, consolidate or coordinate their efforts, services, and resources for purposes commonly beneficial to them, by virtue of Section 33 of Republic Act No. 7160, or the Local Government Code of 1991;

**WHEREAS**, CONSCIOUS of the endeavor to integrate local health systems into province-wide and city-wide health systems, where city-wide health systems pertain to highly urbanized cities or independent component cities (HUCs/ICCs), to ensure the effective and efficient delivery of population-based and individual-based health services, by virtue of Section 19 of Republic Act 11223, or the Universal Health Care (UHC) Act of 2019;

**WHEREAS**, RECOGNIZING that the UHC Act seeks to address health system fragmentation and to reorient the health system towards primary health care, primarily through the integration of local health systems into province-wide or city-wide health systems;

**WHEREAS**, ACKNOWLEDGING AND SUPPORTING the firm commitment of the LGU-MANDALUYONG to improve the overall management of its and its component LGUs' local health systems, in coordination with civil society and non-health agencies, towards ensuring equitable access to quality and affordable health care and financial risk protection of the people they serve; guaranteeing decent predictable income, career advancement opportunities, and job security and satisfaction of its



health care workers; and assuring health care payers of provider compliance with quality and performance standards;

**WHEREAS**, CONSIDERING the earnest intent of the LGU-MANDALUYONG to operationalize and fully implement all local health system reforms endeavored in the UHC Act, particularly those in relation to province-wide and city-wide health systems integration, the establishment and management of a Special Health Fund, and the shift to network-based contracting of health care providers, as a strategy to achieve its health system aims;

**WHEREAS**, UNDERSTANDING the Department of Health's (DOH) mandate to provide for technical and financial support, as appropriate and in consideration of the available budget, to LGUs that commit to province-wide and city-wide integration;

**WHEREAS**, PERCEIVING the need to integrate the strategic financing initiatives of PhilHealth to support the functions of LGUs in providing quality health care at all levels of the health system;

**WHEREAS**, TAKING ACCOUNT of the six-year transition period given to LGUs that commit to province-wide and city-wide integration, as provided for by the UHC Act and its Implementing Rules and Regulations (IRR), wherein managerial and technical integration is expected to be demonstrated in the first three years (2020 - 2022), and financial integration to be exhibited within the next three years (2023 - 2025) thereafter;

**WHEREAS**, CONVINCED that this Memorandum of Understanding facilitates the fulfillment of the activities, outputs, and outcomes for the success of an integrated province-wide or city-wide health system, where applicable, that delivers effective, and efficient services for seamless, high quality, and affordable health care;

**WHEREAS**, BELIEVING that the full implementation of this Understanding will both depend on and contribute to continuation and accomplishment of local health system reforms in the Province/City, as well as the introduction of factors necessary for cooperation between the Parties and among the LGU-MANDALUYONG, and other stakeholders within the province-wide or city-wide health system, as appropriate;

**WHEREAS**, DESIROUS of the Parties working together in accordance with the guiding principles to achieve integration outputs and outcomes expressed in this Understanding;

Collectively referred to as the "Parties"

**NOW, THEREFORE**, for and in consideration of the above-premises, the PARTIES have agreed as follows:

## **ARTICLE I PURPOSE AND STATUS**

1. All Parties recognize the importance of integrating the management, delivery, and financing of health services as a means to improve the health outcomes of the LGU-MANDALUYONG. To realize the vision of establishing an integrated province-wide or city-wide health system, where applicable, an understanding is hereby established between the Parties.
2. All Parties acknowledge that achievement of the integration objectives and outcomes will require strong relationships and the creation of an environment of trust, collaboration, and innovation.
3. This Memorandum of Understanding sets out the key terms the Parties have agreed with each other, including the following:



- 3.1. The integration outputs and outcomes that all Parties aspire to achieve, and the principles that underlie such endeavor;
- 3.2. The framework within which the Parties agree to cooperate to achieve the stated outputs and outcomes;
- 3.3. The roles and responsibilities of the Parties under this Understanding, and the governance arrangements underpinning this Understanding;
- 3.4. The general conditions that will govern the partnership between the Parties.
4. This Memorandum of Understanding will supplement and operate in conjunction with:
  - 4.1. The LGU-MANDALUYONG's approved Local Investment Plan for Health (LIPH);
  - 4.2. The LGU-MANDALUYONG's approved Annual Operational Plan (AOP) as contained in its LIPH; and
  - 4.3. Contracts executed between PhilHealth and the LGU-MANDALUYONG for the provision of individual-based interventions in consonance with PhilHealth policies.
5. The LGU-MANDALUYONG acknowledges and confirms that as at the date of this Understanding, its representative has been duly authorized by the Sanggunian to enter into this Understanding under Resolution No. \_\_\_\_\_ dated \_\_\_\_\_.

## ARTICLE II INTEGRATION OUTCOMES, OUTPUTS, AND PRINCIPLES

### 1. Integration Outcomes

- 1.1. Integrated province-wide or city-wide health systems is a strategy where systems in which the LGU-MANDALUYONG, working closely with the civil society organizations, and other partners such as, but not limited to the DOH, Department of Interior and Local Government (DILG), Department of Education (DepEd), and the Department of Social Welfare and Development (DSWD), agree to take shared responsibility for how collective resources are organized, managed, delivered and financed to improve the outcomes desired of the payer, provider, and recipient of services.
- 1.2. All Parties agree to cooperate and perform their respective duties and obligations to achieve the integration outputs and outcomes described in this Memorandum of Understanding.
- 1.3. The LGU-MANDALUYONG is ultimately expected to demonstrate the overall benefit of province/city-wide integration (Rule 41.4.e), which include population health outcomes, health system responsiveness, and financial risk protection as operationally defined in the National Objectives for Health 2017-2022, and other measures, such as, but not limited to, health equity, efficiency, and financial sustainability, as may be further expounded in later administrative issuances.

### 2. Integration Outputs

- 2.1. To achieve the Integration Outcomes, the City shall endeavor to develop a primary health care-oriented province/city-wide health system exhibiting managerial integration, with technical integration, within the first three years (2020-2022), and financial integration within the next three years thereafter (2023-2025) (Rule 41.4.c):
  - 2.1.1. Technical Integration refers to the functional and efficient linking of health service provision from primary to tertiary care, when appropriate, across different levels of facilities, care settings, across a comprehensive spectrum of care with primary care as the foundation and intersectoral participation as one of its key principles (Rule 41.4.a).

At the minimum, technical integration shall be characterized by the following components:

- 2.1.1.1. A primary care provider network, which refers to a coordinated group of public, private or mixed primary care providers, as the foundation of the health care provider network. The primary care provider network shall (Rule 17.3.a):
  - 2.1.1.1.1. Provide primary care services;
  - 2.1.1.1.2. Serve as initial contact and navigator to guide patients' decision making for cost-efficient and appropriate levels of care;
  - 2.1.1.1.3. Coordinate patients to facilitate two-way referrals and remove barriers to health services
  - 2.1.1.1.4. Enable patient records to be accessible throughout the health system; and,
  - 2.1.1.1.5. Implement public health services such as vector control and sanitation as may be determined by the DOH;
- 2.1.1.2. Accurate, sensitive and timely epidemiologic surveillance systems, which refer to the continuous systematic collection, analysis, interpretation, and timely dissemination of health data for planning, implementation, and evaluation of public health programs (Rule 17.3.b);
- 2.1.2. Proactive, effective and evidence-based health promotion programs or campaigns, including an analysis of and strategies to address social determinants of health (Rule 17.3.c);
  - 2.1.2.1. Timely, effective, and efficient preparedness and response to public health emergencies and disasters, and such other means to ensure delivery of population-based health services (Rule 17.3.d);
- 2.1.3. Managerial Integration refers to the consolidation of administrative, technical and managerial functions of the province-wide and city-wide health systems over its resources such as health facilities, human resources for health, health finances, health information systems, health technologies, equipment and supplies (Rule 4.21). Managerial integration shall be characterized by the following components (Rule 41.4.c):
  - 2.1.3.1. Local ordinance(s) issued on the (Rule 41.4.c.i):
    - 2.1.3.1.1. Integration of the municipalities' and component cities' local health systems to the province-wide health system (Rule 41.4.c.i.a);
    - 2.1.3.1.2. Implementation of the province-wide and city-wide health systems, in accordance with the UHC Act and its IRR (Rule 41.4.c.i.b);
  - 2.1.3.2. Unified governance of the local health system (Rule 41.4.c.ii);
  - 2.1.3.3. Integrated management system, consisting of financing, human resources for health management and development, strategic and investment planning, information management, procurement and supply chain management, and quality assurance/ improvement (Rule 41.4.c.iii);
- 2.1.4. Financial Integration refers to the consolidation of financial resources exclusively for health services and health system development under a single planning and investment strategy by the province-wide and city-wide health system (Rule 4.12). At the minimum, financial integration shall be characterized by the following (Rule 41.4.d):

- 2.1.4.1. Creation of a Special Health Fund (SHF) (Rule 41.4.d.i);
- 2.1.4.2. Issuance of health board resolution on the utilization of the SHF, in strict adherence to the national guidelines (Rule 41.4.d.ii); and,
- 2.1.4.3. Funds exclusively used for health services and health system development (Rule 41.4.d.iii);

### **3. Guiding Principles**

- 3.1. All Parties commit to working together to achieve the integration outputs and outcomes acting in accordance with the following guiding principles.
- 3.2. Health shall be a shared accountability among the State, communities and individuals. Taking ownership of health in the individual and community level shall be made possible by investing in improving overall health literacy.
- 3.3. Equity and fairness shall guide the path towards progressive realization of universality by prioritizing the needs of unserved, underserved, and marginalized through evidence-informed planning, and fair and transparent priority setting.
- 3.4. Primary health care, through multi-sectoral action, shall be the ethos of the health system with people-centered, primary care-led integration as the bedrock of health care delivery system.
- 3.5. Healthcare delivery shall be patient-centric with the State guaranteeing access to necessary and essential services and commodities by provider of choice.
- 3.6. Information shall guide decision-making at the institutional and individual level, with due respect to privacy, while minimizing power asymmetry between provider groups and the general population.
- 3.7. There shall be equal pay for equal work; better pay for more efficient and higher quality of work wherein incentives and remuneration should be based on the value of service provided, regardless of ownership or affiliation.

## **ARTICLE III ROLES AND RESPONSIBILITIES**

- 1. All Parties understand and acknowledge that there is not a single definite roadmap for integrating the management, delivery, and financing of health services. Instead, the DOH-CHD and the PhilHealth Regional Office shall work alongside the LGU-MANDALUYONG, as one of the LGUs that signified commitment to province-wide or city-wide health system integration, to push existing boundaries, rapidly innovate and evaluate within the six-year transition period, and distill learnings which can be adopted and applied by other provinces/HUCs/ICCs intending to integrate their local health systems.
- 2. The LGU-MANDALUYONG shall:
  - 2.1. Ensure managerial and financial integration and provide the needed resources and support mechanisms to make the integration possible and sustainable (Rule 19.9) by striving to implement, among others, recommended strategies and activities described in this Understanding;
  - 2.2. Conduct preparatory work needed to facilitate local health systems integration, such as but not limited to, operational guidelines, baseline studies, training needs assessment, participatory, evidence-informed development of local investment plan for health, and organization of the local health board and its support unit, (Rule 41.4.b.i);



- 2.3. Create and manage the Special Health Fund (SHF), subject to guidelines that specify the allocation and utilization of the SHF (Rule 20.7);
- 2.4. Incorporate integration efforts in existing local government plans, including, but not limited to, the LIPH and AOP, Comprehensive Development Plan, Executive-Legislative Agenda, and Capacity Development Plan;
- 2.5. Work with and ensure the commitment of the local health system stakeholders of the municipalities and component cities, including, among others, patients and residents and their representatives, health care workers, the academe, development partners, and other national government agencies, that they may endeavor to integrate the component local LGU-managed health offices, primary care facilities, hospitals, and providers with the LGU-MANDALUYONG's local health office and facilities to constitute the integrated province-wide or city-wide health system (Rule 19.10);
- 2.6. As appropriate, endeavor to issue executive instruments or local legislations that will facilitate the realization of the integration outputs and outcomes described in this Memorandum of Understanding;
- 2.7. Through the local health office, be responsible for the delivery of the promotive, preventive, curative, rehabilitative and palliative components of health care within the locality (Rule 19.11);
- 2.8. Facilitate the linking of the integrated health system to at least one (1) apex or end-referral hospital (Rule 19.11);
- 2.9. In consideration of the size, population and geography of the province, and subject to the minimum qualification standards and guidelines approved by the Civil Service Commission (CSC), endeavor to comply with the following organizational structure and staffing pattern as stipulated in the UHC Act IRR (Rule 19.12):
  - 2.9.1. Each local health office shall have at least two (2) divisions, the Health Service Delivery Division headed by an Assistant local health officer, and the Health Systems Support Division headed by another official of equivalent rank (Rule 19.12.a);
    - 2.9.1.1. The health service delivery function refers to the management of the health service delivery operations of primary care provider networks, hospitals and other health facilities, clinical services, and public health programs including health promotion, epidemiologic surveillance, and disaster risk reduction and management, within the integrated health system (Rule 19.12.c);
    - 2.9.1.2. The health systems support function refers to the management of health financing, health information system, procurement and supply chain for health products and services, local health regulation, health human resource development, and health resilience, among others, in close coordination with the concerned offices of the provincial government (Rule 19.12.d);
  - 2.9.2. An enabling local ordinance shall be passed to create the assistant local health officer and another official of equivalent rank as plantilla items, if not yet existing, subject to the minimum qualification standards and guidelines approved by the Civil Service Commission (CSC) (Rule 19.12.b);
- 2.10. Commit to implement incremental creation of positions to hire the required health care professional and health care worker based on standards, as determined by the DOH (Rule 24.5);
- 2.11. Commit to establishing a Health Promotion Unit with appropriate human resource complement to ensure provision of proactive and effective health promotion programs and campaigns and sustainable implementation of health promotion and improve health literacy (Rule 30.5).

- 2.12. Endeavor to strengthen the leadership and management capacities of the LGU-MANDALUYONG and its component LGUs through any means available, which may include, among others, participation of local leaders and health system managers in activities promoting good governance and management practices, and engaging development partners to provide technical assistance in similar areas;
  - 2.13. Act as a leadership cohort, demonstrating what can be achieved with strong local leadership, governance and management, and to develop learning with the assistance of the DOH-CHD that other provinces/HUCs/ICCs can subsequently follow;
  - 2.14. Commit to and enforce provisions on accountability and fraud prevention in relation to the receipt and disbursement of PhilHealth funds in accordance to accounting and auditing rules and regulations, and PhilHealth guidelines;
  - 2.15. Endeavor setting-up health information systems, automating of clinical information, improving data quality, integrating and using of telemedicine in accordance with Section 36 of the UHC Act; and
  - 2.16. Complement efforts on establishing an integrated health care system with efforts to establish a disaster risk response and management system able to handle public health emergencies in accordance to DOH service delivery and PhilHealth financing guidelines.
3. The DOH shall:
    - 3.1. Provide or facilitate the provision of necessary support and incentives to assist the LGU-MANDALUYONG in integrating its local health system into a province-wide or city-wide health system, where applicable, that is resilient, sustainable, and responsive to the needs of the population; The assistance shall include financial and nonfinancial matching grants to strengthen health systems management and health service delivery (Rule 19.5), subject to guidelines on the provision of such grants (Rule 22.1). Underserved and unserved areas, defined as barangays specifically disadvantaged due to the presence of both physical and socio-economic factors (Rule 14.4), to be identified after the development of appropriate guidelines (Rule 29.2), shall be given priority allocation (Rule 22.2)
    - 3.2. Provide an environment that promotes the exchange of knowledge and good practices among the levels of the health care delivery system (Rule 19.5);
    - 3.3. Advocate for the issuance of local executive policies or legislative enactments necessary for the integration of the province-wide/city-wide health system;
    - 3.4. Monitor the LGU-MNDALUYONG's implementation of activities for integration, as indicated in the LGU-MANDALUYONG's local plans.
  4. The PhilHealth shall:
    - 4.1. Provide adequate financing to enable the LGU-MANDALUYONG to provide individual-based interventions to their catchment population through the avenues enumerated in Section 18 of the UHC Act and in this MOU, in consonance with PhilHealth policies;
    - 4.2. Provide adequate financial incentives to support the LGU-MANDALUYONG in adopting the necessary health reforms such as provision of primary care services and gatekeeping and formation of health care provider networks;
    - 4.3. Monitor and enforce health care quality through contracts with the health care provider networks in province-wide and city-wide health systems; and
    - 4.4. Provide technical assistance to the LGU-MANDALUYONG in establishing information technology linkages and integration between the LGU-MANDALUYONG and the National Health Data System and PhilHealth databases for membership management, claims processing, and data analytics, among others.

**ARTICLE IV**  
**GOVERNANCE AND MANAGEMENT**

1. The LGU-MANDALUYONG shall commit to establishing an improved and more robust governance structure and arrangements:

- 1.1. Local Health Board

- 1.1.1. For province-wide health systems, in addition to the existing composition and in accordance with RA 7160, municipalities and component cities included in the province-wide health system shall be entitled to a representative in the Provincial Health Board (Rule 19.16)

- 1.1.2. As applicable, indigenous cultural communities or indigenous peoples, in accordance with RA 8371 (The Indigenous Peoples' Rights Act of 1997), shall also be represented in the Local Health Board (Rule 19.16)

- 1.1.3. In addition to their existing functions and in accordance with RA 7160, local health boards shall:

- 1.1.3.1. Set the overall health policy directions and strategic thrusts including the development and implementation of the integrated strategic and investment plans of the city-wide health system, where applicable (Rule 19.17.a);

- 1.1.3.2. Oversee and coordinate the integration and delivery of health services across the healthcare continuum for city-wide health system, where applicable (Rule 19.17.b);

- 1.1.3.3. Assume full responsibility for the management of the SHF (Rules 7.4, 19.17.c, 20.4);

- 1.1.3.4. Exercise administrative and technical supervision over health facilities and health human resources within their respective territorial jurisdiction (Rule 19.17.d);

- 1.1.3.5. Create its own management support unit to assist its operations including the management of the SHF (Rule 19.18); and

- 1.1.3.6. Comply with the rules governing its operations set out in Section 19 of the UHC Act IRR;

- 1.1.3.7. Strive to satisfactorily and timely facilitate the institutionalization and functionality of the integrated city-wide health system, where applicable, and health care provider networks in terms of attainment of the national objectives for health, such as, but not limited to, the following suggested strategies;

- 1.1.3.7.1. Establishment of a Management Team that shall serve primarily as a recommendatory body to the City Health Board, where applicable;

- 1.1.3.7.2. Approval of health care provider network arrangements, referral structure, catchment population, and management mechanisms, within and outside of the city-wide health system, where applicable, as recommended by the Management Team and in adherence to DOH and PhilHealth guidelines;

- 1.1.3.7.3. Regular endorsement and consultative meetings with the Philippine Health Insurance Corporation, Department of Interior and Local Government, Department of Health and other bodies



## 1.2. Local UHC IS Management Team

1.2.1. As set out in Section 1.1.3.7. of Article IV, the LGU-MANDALUYONG, through the Local Health Board, may endeavor to establish, by hiring or designation, a Local UHC IS Management Team that shall strive to carry out the following recommended activities:

- 1.2.1.1. Oversee the day-to-day operations of the city-wide health system;
- 1.2.1.2. Recommend health care provider network arrangements, referral and patient transport system, and management mechanisms within and outside the city-wide health system, where applicable, for approval to the Local Health Board;
- 1.2.1.3. Recommend population matching to health facilities to be included in city-wide health system to the Local Health Board;
- 1.2.1.4. Create and empower the primary care system in their respective areas through investments, behavioral incentives, and other means of promoting the use of primary care;
- 1.2.1.5. Monitor technical, operational, and financial performance of the city-wide health system, where applicable and recommend actions for endorsement to the DOH;
- 1.2.1.6. Recommend SHF mechanics consistent with National guidelines for endorsement to the Local Health Board;

## 1.3. Component LGUs

- 1.3.1. Shall retain their existing functions over their respective health facilities and personnel under the RA 7160 (Rule 19.10);
- 1.3.2. May opt to transfer the control of health resources and services to the city-wide health system, where applicable, through a mechanism of cooperative undertakings provided under Section 33 of RA 7160 (Rule 19.10);

# ARTICLE V FINANCING AND SUSTAINABILITY

## 1. Financial Sustainability

- 1.1. The LGU-MANDALUYONG shall ensure funding for effective health operations and conduct of activities such as but not limited to capacity building, research, and health promotion consistent with national guidelines and with support from the DOH (Rule 7.4);
- 1.2. The LGU-MANDALUYONG shall pool and manage all resources intended for health services through a SHF. Sources for the SHF shall include the following (Rule 20.1);
  - 1.2.1. Financial grants and subsidies from national government agencies such as the DOH in accordance with Section 22 of the UHC Act IRR;
  - 1.2.2. Income from PhilHealth payments for individual-based interventions in accordance with Section 21 of the UHC Act IRR;
  - 1.2.3. Other sources such as, but not limited to, financial grants and donations from Non-Government Organizations, Faith-Based Organizations, and Official Development Assistance;
- 1.3. The LGU-MANDALUYONG shall appropriate, through an ordinance, counterpart funding to finance health programs based on the local investment plan for health (Rule 20.5);

1.4. Component LGUs that opted to transfer the control of health resources to the province-wide health system shall transfer the funds intended for health to the SHF and shall be entitled to additional financial and nonfinancial incentives, given that these incentives shall be solely allocated for health-related services (Rule 20.5);

1.5. Upon full financial integration, health expenditures of participating LGUs that are in accordance with the UHC Act IRR shall be chargeable to the SHF (Rule 20.5).

## 2. Financial Governance

2.1. The Local Health Board shall assume full responsibility for the management of the SHF (Rules 19.17.c, 20.4);

2.2. As determined and approved by the Local Health Board, the SHF shall be allocated for (Rule 20.2):

2.2.1. Population-based and individual-based health services (Rule 20.2.a);

2.2.2. Capital investment such as, but not limited to, infrastructure, equipment, and information technology (Rule 20.2.b);

2.2.3. Health system operating costs (Rule 20.2.c);

2.2.4. Remuneration of additional health workers (Rule 20.2.d);

2.2.5. Incentives for all health workers in accordance with RA 7305 (Magna Carta for PHW), RA 7883 (BHW Benefits and Incentives Act), PD 1569 (Strengthening Barangay Nutrition Program), RA 11148 (Kalusugan at Nutrisyon ng Mag-Nanay Act) and other relevant laws (Rule 20.2.e).

2.3. The LGU-MANDALUYONG shall comply with the submission of required data on its use of the SHF in accordance with the SHF utilization tracking system that shall be established by DOH and PhilHealth. The SHF utilization tracking system shall allow for the real-time collection, consolidation, and analysis of data on the use of such funds (Rule 20.6).

2.4. The LGU-MANDALUYONG shall follow the principles of Public Financial Management and shall adhere to the guidelines on the allocation and utilization of the SHF to be developed by the DOH and PhilHealth, in consultation with the Department of Budget and Management (DBM), DILG, Department of Finance (DOF), Commission on Audit (COA) and the LGUs (Rule 20.7);

## ARTICLE VI MISCELLANEOUS

### 1. Mutual Obligations

1.1. All Parties agree to perform, fulfill, abide by, and submit to any and all of the provisions and requirements and all matters related, contained or expressed or reasonably inferred from this Understanding.

### 2. Duration and Effectivity

2.1. All Parties agree that the provisions herein described shall cover activities from January 1, 2020 to December 31, 2025.

2.2. This Memorandum of Understanding shall be terminated upon satisfactory fulfillment of all the terms and conditions embodied herein. Any modification or amendment to this Understanding as proposed by either party shall mutually be agreed upon in writing by all the parties hereto.

3. Amendment and Periodic Review

- 3.1. Either Party may initiate a review of this Understanding by written request to the other through their respective representatives as indicated in Section 3 of Article VII;
- 3.2. If either Party deems it necessary to amend this Understanding, they may do so only in writing. Any amendment shall only be effective upon mutual approval by the Parties;
- 3.3. At the minimum, this Understanding will be reviewed at least once every two years to ensure it is current and consistent with the expectations and strategic directions of the DOH and the National Government;

4. Notices

- 4.1. Any notice or communications required or permitted to be given by this Understanding must be given in writing and delivered personally or mailed, or transmitted by facsimile or electronic mail transmission (including PDF) where no delivery failure notification has been received. Any notice or communications will be addressed to the other Party as provided below or as either Party will later designate to the other in writing through established channels.

**ARTICLE VII  
NON-BINDING**

1. Notwithstanding anything contained in this MOU to the contrary, the Parties agree that this MOU has no legal or binding effect and does not create any specific legal obligation on the part of either Party to fund specific activities except through a legally binding collaboration or agreement between the Parties subject to each Party's formal authority given for the purpose, further negotiations, mutual agreement, and execution of a definitive Memorandum of Agreement (MOA). Such definitive MOA may contain terms amending or adding to any preliminary expressions of the non-binding intention of the Parties herein.
2. All Parties agree to explore in greater detail the provisions covered by the clauses of this MOU. Roles and responsibilities of each Party in addition to the activities outlined in this MOU may be further discussed on a case-to-case basis.



IN WITNESS WHEREOF, the Parties hereto have caused this Understanding to be signed in their respective names in \_\_\_\_\_, Republic of the Philippines:

	<u>For the Department of Health</u>	<u>For the City</u>	<u>For PhilHealth</u>
<i>Signature</i>			
<i>Printed Name</i>	<b>Maria Rosario S. Vergeire, MD,MPH</b>	<b>Hon. Benjamin S. Abalos</b>	<b>Emmanuel R. Ledesma Jr.</b>
<i>Position</i>	OIC-Secretary of Health	City Mayor	President and Chief Executive Officer
<i>Date</i>			

Signed in the Presence of:

<b>Gloria J. Balboa, MD, MPH, MHA, CEO VI, CESO III</b>		<b>Arnold C. Abalos, MD</b>		<b>Bernadette C. Lico, MD</b>
Director IV, Center for Health Development		City Health Officer		PhilHealth Regional Vice President

**ACKNOWLEDGEMENT**

**Republic of the Philippines**  
**City of \_\_\_\_\_**

Before me, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ in the City of \_\_\_\_\_, Philippines,  
personally appeared:

**Maria Rosario S. Vergeire**  
OIC-Secretary of Health

ID Number: \_\_\_\_\_

**Emmanuel R. Ledesma Jr.**  
President and CEO, PhilHealth

ID Number: \_\_\_\_\_

**Hon. Benjamin S. Abalos**  
City Mayor

ID Number: \_\_\_\_\_

known to me to be the same persons who executed the foregoing instrument, and they acknowledge that  
the same is their free and voluntary act and deed.

This instrument consisting of thirteen (13) pages including this page on which the acknowledgement is  
written has been signed on each and every page thereof by the parties and their instrumental witness.

**WITNESS MY HAND AND SEAL**, at the place on the date first written above.

**Doc.:** \_\_\_\_\_  
**Page No.** \_\_\_\_\_  
**Book No.** \_\_\_\_\_  
**Series of 2022**

No. LG-006520

Date: 2023-01-27

For: Ms. Ma. Teresa S. Miranda

Document Code:

LG.END.006520

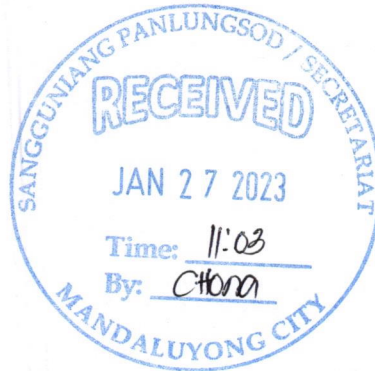
FROM: City Legal Department

Source: Department

Document Title:

A Resolution authorizing the Honorable Mayor Benjamin S. Abalos Sr. to enter and sign the Memorandum of Understanding with the Department of Health (DOH), Philippine Health Insurance Corporation (Philhealth) and the City Government of Mandaluyong relative to the implementation of the Universal Health Care Act of 2019 and its corresponding Local Health System Reforms".

/nicole







Republic of the Philippines  
City Government of Mandaluyong  
Legal Department

4/f, Executive Building, City Government Complex, Maysilo Circle,  
Barangay Plainview, Mandaluyong City 1550

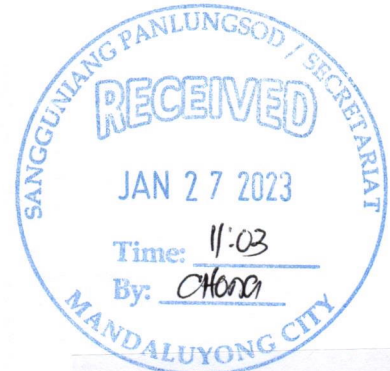


TO : **MS. MA. TERESA S. MIRANDA**  
Sanggunian Secretary

FROM : **ATTY. JERUSHA O. VILLANUEVA**  
Chief

DATE : January 26, 2023

SUBJECT : **ENDORSEMENT OF A DRAFT RESOLUTION**

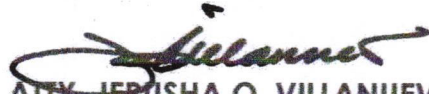


INCOMING-  
DOC.NO.12C-GLD-23-00064

Dear Sir/Madam:

Respectfully indorsed the herein attached **"A RESOLUTION AUTHORIZING THE HONORABLE MAYOR BENJAMIN S. ABALOS SR. TO ENTER AND SIGN THE MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF HEALTH (DOH), PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH) AND THE CITY GOVERNMENT OF MANDALUYONG RELATIVE TO THE IMPLEMENTATION OF THE UNIVERSAL HEALTH CARE ACT OF 2019 AND ITS CORRESPONDING LOCAL HEALTH SYSTEM REFORMS"**. Copy of Memorandum of Understanding between the Department of Health, the City Government of Mandaluyong and the Philippine Health Insurance Corporation is hereto attached for your perusal.

For your information and appropriate action.

  
**ATTY. JERUSHA O. VILLANUEVA**  
Chief



E-mail address: [mandacitylegal@yahoo.com](mailto:mandacitylegal@yahoo.com)



(Tel.) 532-5001 loc. 533  
(Tel/Fax) 535-7112

