

Republic of the Philippines  
PROVINCE OF ZAMBOANGA DEL  
MUNICIPALITY OF BAYOG  
7011  
OFFICE OF THE SANGGUNIANG BAYAN

MUNICIPAL ORDINANCE NO. 9-14-05  
**ORDINANCE CREATING A PHILHEALTH CAPITATION FUND FROM THE  
PROCEEDS OF THE OUTPATIENT CONSULTATION AND DIAGNOSTIC  
BENEFIT PACKAGE TO BE PROVIDED BY THE PHILIPPINE HEALTH  
INSURANCE CORPORATION (PhilHealth) FOR QUALIFIED INDIGENT  
FAMILIES OF THE MUNICIPALITY OF BAYOG UNDER THE INDIGENT  
SECTOR COMPONENT OF THE NATIONAL HEALTH  
INSURANCE PROGRAM (NHIP).**

WHEREAS, the Philippine Constitution declares as a State policy to provide its territorial and political subdivisions genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and as effective partners in the attainment of national goals;

WHEREAS, the State likewise declares that the vesting of duty, responsibility and accountability in local government units (LGUs) shall be accompanied with provision for reasonably adequate resources to effectively carry out their functions;

WHEREAS, in pursuit of these constitutional mandates, Congress has mandated the implementation of the Indigent Sector Component of the National Health Insurance Program (NHIP) or the *Medicare para sa Masa*;

WHEREAS, this priority program is aimed at “setting into motion a meaningful health care financing and delivery mechanism anchored on local government”;

WHEREAS, the Indigent Program of the National Health Insurance Program (NHIP) provides a mechanism to identify the qualified indigent families and to grant them membership to NHIP through full or partial government subsidies. It will enable them access to medical service in all NHIP accredited providers;

WHEREAS, the Body, considering the beneficent features of RA 7875 as it will vastly improve the over-all health status of the population and ultimately, their general quality of life and rationalize the Municipal Government’s expenditure for health, collectively agreed to adopt the National Health Insurance Program (NHIP) of the National Government;

WHEREAS, the creation of a Phil-Health Capitation Fund (PCF) is necessary to attain the purpose and objectives of the Indigent Program;

**NOW THEREFORE**

**BE IT RESOLVED AS IT IS HEREBY RESOLVED**, to create a PhilHealth Capitation Fund from the proceeds of the outpatient consultation and diagnostic benefit package to be provided by the Philippine Health Insurance Corporation (PhilHealth) for qualified indigent families of the Municipality of Bayog under the indigent sector component of the NHIP;

**RESOLVED THAT**, the use, management and disposition of the PhilHealth Capitation Fund shall be governed by the following rules:

1. The capitation amount shall be released on a quarterly basis by the Corporation under the following conditions:
  - 1.1 Initial release shall be subject to prior accreditation of the municipality-owned and managed Rural Health Units and the payment of premium contribution by the Municipality; and

- 1.2 Succeeding release of quarterly capitation shall be subject to the submission of required monitoring/evaluation reports, research and program development as provided for under the Implementing Guidelines of the Outpatient Consultation and Diagnostic Package and prior payment of premiums in case of quarterly mode of remittance.
2. The disposition of the PCF shall be governed by the following rules:
  - 2.1 The disbursement and liquidation of the PCF shall be in accordance with pertinent government accounting and auditing rules and regulations;
  - 2.2 A separate book of accounts shall be maintained by the local government unit; and\
  - 2.3 The capitation fund shall be used only for the specified purposes stipulated in the Outpatient Consultation and Diagnostic Package Guidelines.
3. The Corporation may withhold the release of the subsequent quarterly PCFs due to any of the following:
  - 3.1 Delay or non-payment of premium contribution;
  - 3.2 Violation of government accounting and auditing rules and regulations on the disbursement and liquidation of the PCF; and
  - 3.3 Non-submission of the required reports under item 1.2 hereof.

RESOLVED, FINALLY, to furnish copy of this Ordinance to the President of the Philippines, **HER EXCELLENCY GLORIA MACAPAGAL-ARROYO**, the President and Chief Executive Officer of the Philippine Health Insurance Corporation, **MR. FRANCISCO DUQUE III** for their information.

ADOPTED this 3<sup>rd</sup> day of October 2005, on motion of Hon. Norelyn B. Rodriguez, duly seconded.

**CERTIFIED CORRECT:**

**(SGD) JOSE C. GADAINGAN**  
**SB Member-Secretary Designate**

**VERIFIED CORRECT:**

**(SGD) ROMUALDO S. GODIN**  
**SB Member-Floor Leader**

**ATTESTED:**

**(SGD) PEDRO T. ANLAP**  
**Municipal Vice Mayor-Presiding**

**APPROVED:**

**(SGD) MARY ANN L. CARTALLA**  
**Municipal Mayor**