



**DEPARTMENT OF HEALTH
DEPARTMENT OF BUDGET AND MANAGEMENT**

APR 05 2022

JOINT MEMORANDUM CIRCULAR

No. 2022- 0001

SUBJECT: Implementing Guidelines of the COVID-19 Laboratory Network

I. BACKGROUND

Pursuant to the General Appropriations Act FY 2022 or the Republic Act 11639, the Special Provision of the COVID-19 Laboratory Network shall be subject to the guidelines issued by the Department of Health (DOH) and the Department of Budget and Management (DBM), and the pertinent procurement, budgeting, accounting and auditing rules and regulations.

The amount of Seven Billion Nine Hundred Twenty One Million Nine Hundred Four Thousand Pesos (₱7,921,904,000) appropriated herein for the COVID-19 laboratory network commodities of the COVID-19 testing laboratories, the Centers for Health Development (CHDs), and other disease reporting units shall be used to purchase Food and Drug Administration (FDA) authorized test kits compliant with the technical and other specifications required by the DOH and with positive recommendation from the Health Technology Assessment Council (HTAC), including the compatible consumables and reagents.

This fund shall also cover the following:

1. sub-allotment to CHDs for their roles in COVID-19 testing which involves procurement of laboratory supplies and consumables, transportation of specimens, capacity building activities, setting up of swabbing or testing booths and other operations involving swab specimen collection, antigen rapid diagnostic testing implementation, quality assurance program, monitoring activities, and other COVID-19 testing or response activities;
2. sub-allotment to various government laboratories for procurement of other supplies and consumables, recalibration of equipment, facility maintenance, quality assurance program, capacity building, for payment of their laboratory human resources for health (HRH), and other COVID-19 testing related activities;
3. payment to third party logistics provider which shall be responsible for the warehousing and delivery of all temperature-sensitive materials from a temperature controlled outsourced warehouse to all consignees;

4. assistance to the University of the Philippines National Institutes of Health (UP-NIH) and UP Philippine Genome Center in their provision of hands-on training and biosafety to new applicants for licensing of COVID-19 testing laboratories; and
5. payment to technical and administrative personnel of the Project Management Unit for the COVID-19 Laboratory Network in the DOH Central office supporting the operation of the Network.

The COVID-19 Laboratory Network of the DOH shall be in line with the National Action Plan COVID-19 strategy of Prevention, Detection, Isolation, Treatment, Rehabilitation, and vaccination (PDITR+) strategy of the national government.

II. PURPOSE

This Joint Memorandum Circular (JMC) is issued by the DOH and the DBM pursuant to Section 16 of the Special Provision in the FY 2022 GAA for the provision of COVID-19 Laboratory Network commodities of COVID-19 testing laboratories, CHDs, and other disease operating units.

III. DEFINITION OF TERMS

1. **COVID-19 testing commodities** include plate-based PCR detection and extraction kits, swab specimen collection kits, and various laboratory consumables, Xpert Xpress SARS-CoV-2 cartridges, rapid antigen tests kits, and other testing-related items used by DOH-licensed COVID-19 testing laboratories and by swabbing facilities notified to the DOH.
2. **Laboratory Human Resources for Health (HRH)** refers to the technical and non-technical laboratory staff, who are hired under Job Order (JO) contracts, assigned in DOH-licensed COVID-19 testing laboratories.
3. **Disease Reporting Unit (DRU)** refers to any health facility where cases of notifiable diseases are identified and reported (e.g., hospitals, clinics, Municipal Health Offices [MHO], City Health Offices [CHO], Barangay Health Stations [BHS], community, Quarantine Stations).
4. **Government Laboratory** for the purpose of this issuance refers to a DOH-licensed COVID-19 testing laboratory operated and maintained, partially or wholly, by the national government, a local government unit (provincial, city or municipal) or any other political unit or any department, division, board, state university and college, government institution, or agency thereof.

IV. GUIDELINES

1. The DOH Central Office shall procure COVID-19 testing commodities in bulk to meet the general operational requirements of government COVID-19 testing laboratories and CHDs. Quantities for national procurement are projected based on the DOH testing policies and policy direction anchored in the National Action Plan.

2. DOH Centers for Health Development can procure laboratory-specific supplies and commodities, not provided by DOH Central Office, to COVID-19 laboratories to meet the testing needs and activities of their respective region.
3. COVID-19 testing laboratories requiring other laboratory supplies and commodities that qualify below considerations shall procure these items using their sub-allotments.
 - a. Items are not procured and provided by the DOH Central Office for the CHD or the COVID-19 testing laboratory;
 - b. Items are specific or unique to their laboratory testing setup;
 - c. Items are required in small quantities by the laboratory or CHD for their testing operations;
 - d. Items, which are procured and provided by the DOH Central Office, run out of stocks in the DOH warehouse and become unavailable. These are subject to consultation with and approval of the DOH Central Office.
4. Sub-allotment of the DOH Central Office to the CHDs shall include but is not limited to the COVID-19 testing activities detailed in the Regional Action Plans submitted by CHDs to the Central Office to strengthen the Regional COVID-19 Laboratory Network and to deliver the DOH commitment in the COVID-19 National Action Plan.
5. Sub-allotment to government COVID-19 testing laboratories shall cover the indicated items in Section I as well as the transportation for referral and sending of samples, communication, and other COVID-19 testing operating expenses in sustaining the laboratory operations.
6. Augmentation of laboratory HRH, funded through the DOH sub-allotment, is based on the submitted individual request of each laboratory through the CHD for laboratory HRH needed to sustain their testing and swab specimen collection activities.
7. Monthly compensation and benefits of the laboratory HRH for their services shall include but not limited to the basic salary for the Job Order staff plus premium up to 20% of basic salary and other benefits, as provided by pertinent laws, budgeting rules and regulations.
8. Payment to the third party logistics provider is commensurate with the services for cold chain storage and transport of supplies and commodities from outsourced warehouses to licensed COVID-19 testing laboratories, from DOH CHDs to other CHDs, and from COVID 19 laboratories to other COVID-19 testing laboratories. The third party logistics service provider acts as the delivery agent and warehouse manager of COVID-19 testing commodities.
9. Assistance to the University of the Philippines National Institutes of Health (UP-NIH) and UP Philippine Genome Center (UP-PGC) constitutes financing their roles of providing basic training courses in molecular diagnostics to medical personnel involved in SARS-CoV-2 PCR testing. This training assistance program

seeks to augment the number of laboratories capable of performing rRT-PCR based testing for COVID-19.

V. RESPONSIBILITIES OF AGENCIES AND HEALTH FACILITIES

A. Department of Health (DOH)

1. The DOH Central Office, through the **Office of the Assistant Secretary for the Public Health Services Team (PHST-A)**, shall:
 - a. Prepare the Project Procurement Management Plan (PPMP), Purchase Requests (PR) for the procurement of the commodities and allocation of supplies;
 - b. Consolidate the Regional Action Plans submitted by CHDs as the basis of the testing activities of the Regional Laboratory Network;
 - c. Prepare and release guidelines for the sub-allotment or transfer of funds for the procurement of COVID-19 testing commodities and augmentation of laboratory human resources for health to Centers for Health Development (CHDs), Ministry of Health-Bangsamoro Autonomous Region in Muslim Mindanao (MOH-BARMM), DOH hospital-based laboratories, laboratories of specialty hospitals and of UP-Philippine General Hospital (UP-PGH), UP-NIH, and UP-PGC; and
 - d. Hire and pay the staff of the Project Management Unit for the COVID-19 Laboratory Network in the DOH Central office, who are the technical and administrative personnel supporting the operations of the network.
2. The **Financial Management Service (FMS)** of the DOH Central Office shall:
 - a. Process and control allotments and obligations of the procurements, sub-allotments or fund transfers for the COVID-19 Laboratory Network;
 - b. Assist the DOH management in decision making with regard to financial matters of the COVID-19 Laboratory Network; and
 - c. Monitor, evaluate and consolidate budget utilization reports received from CHDs, MOH-BARMM, DOH hospitals, specialty hospitals and UP-PGH, UP-NIH, and UP-PGC.
3. The **Procurement Service (PS)** of the DOH Central Office shall:
 - a. Assist the DOH Central Office Bids and Awards Committee (COBAC) in procuring the COVID-19 testing commodities to support the implementation of the COVID-19 Laboratory Network in accordance with the provision of Republic Act No. 9184 and its 2016 Revised Implementing Rules and Regulations; and
 - b. Monitor compliance of the procurements under the COVID-19 Laboratory Network with RA 9184.
4. The **Supply Chain Management Services (SCMS)** of the DOH Central Office shall:
 - a. Manage the operations of the third party logistics provider.
 - b. Prepare the necessary documents for the disbursement of the third party logistics provider such as but not limited to, property transfer reports, Bill of

Lading, payment vouchers, and coordinate with the Inspection Committee for the inspection and acceptance reports.

5. The Centers for Health Development (CHDs), Ministry of Health-Bangsamoro Autonomous Region in Muslim Mindanao (MOH-BARMM), shall:

- a. Prepare and submit respective Regional Action Plan containing their projects and programs, timelines, resources needed, projected results and outcomes for their Regional COVID-19 Laboratory Network to the DOH Central Office.
- b. Coordinate and convene with COVID-19 testing laboratories within their jurisdiction;
- c. Enter into a Memorandum of Agreement (MOA) with local government units (LGUs) and other COVID-19 testing laboratories for the transfer of funds for procurement of commodities, payment of COVID-19 laboratory human resources for health, and conduct of other COVID 19 testing activities;
- d. Keep buffer stocks, allocate, distribute and monitor swabbing kits to other government agencies, local government units (LGUs) and implementing units;
- e. Hire and pay the appropriate augmentation of laboratory HRH for the COVID-19 testing operations of its Regional COVID-19 Laboratory Network;
- f. Implement and monitor the utilization/disbursement of funds subject to usual government budgeting, accounting and auditing rules and regulations;
- g. MOH-BARMM to submit liquidation report to the Financial and Management Service (FMS) of the DOH Central Office, copy furnished to PHST-A, in accordance with government accounting and auditing rules and regulations, and refund of any unutilized balance of fund transfer;
- h. Consolidate and submit monthly the Fund Utilization Reports (FUR) submitted by other COVID-19 testing laboratories covered by this circular to the FMS of the DOH Central Office, copy furnished to PHST-A; and
- i. Submit COVID-19 testing accomplishment report, to the DOH Central Office quarterly, corresponding to the Regional Action Plan, including but not limited to the number of procured testing commodities, hired HRH for COVID-19 testing, swab specimens collected and/or tests performed, total activities conducted.

B. The Department of Budget and Management shall:

- a. Upon request, shall process and issue the corresponding budget-related action documents to implement the provision for COVID-19 Laboratory Network commodities, pursuant to RA No. 11639 or the FY 2022 GAA, in accordance with the existing government budgeting, accounting, and auditing rules and regulations.

C. COVID-19 Testing Laboratories shall:

- a. Submit a timely and appropriate request for requisition of COVID-19 testing commodities to CHD and DOH Central Office based on the acceptable

threshold of inventory through the COVID-19 Supply Management Tracking System;

- b. Implement and monitor the utilization/disbursement of funds subject to usual government budgeting, accounting and auditing rules and regulations;
- c. Hire and pay appropriate augmentation of laboratory HRH for their COVID-19 testing services;
- d. Specific for COVID-19 testing laboratories managed by DOH hospitals per DOH Administrative Order 2012-0012 and its amendments, submit monthly Fund Utilization Reports (FUR) in accordance with government accounting and auditing rules and regulations, directly to the FMS of the DOH Central Office, copy furnished to PHST-A;
- e. For other COVID-19 testing laboratories covered by this circular, submit monthly Fund Utilization Reports (FUR) in accordance with government accounting and auditing rules and regulations, and refund of any unutilized balance of fund transfer to the CHD, which shall submit the FUR to the FMS of the DOH Central Office, copy furnished to PHST-A;
- f. Submit a report accounting the total resources received from the DOH Central Office and the CHDs, and their total testing services provided for free, to the DOH Central Office quarterly.

D. The University of the Philippines National Institutes of Health (UP NIH) and the UP Philippine Genome Center (UP PGC) shall:

- a. Submit semestral accomplishment report to the DOH Central Office on the implementation of the University of the Philippines Training Assistance Program, or "UP TRAINS", as the RITM and DOH-accredited training program focusing on biosafety and molecular biology as applied in SARS-CoV-2 RT-PCR testing; and
- b. Submit liquidation report to the Financial and Management Service (FMS) of the DOH Central Office, copy furnished to PHST-A, in accordance with government accounting and auditing rules and regulations, and refund of any unutilized balance of fund transfer.

VI. FUNDING SOURCE

The funds necessary for the implementation of this JMC shall be sourced from the authorized appropriations of the DOH and any sources available as may be identified by the DBM, subject to the existing budgeting, accounting, and auditing rules and regulations.

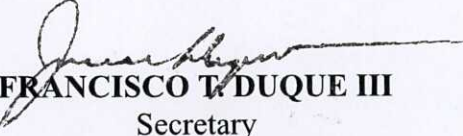



VII. RESOLUTION OF ISSUES

Issues and concerns that may arise in the implementation of this JMC, shall be resolved by the DOH and/or the DBM, whichever is applicable.

VIII. EFFECTIVITY

This JMC shall take effect fifteen (15) days after its publication in the Official Gazette or a newspaper of general circulation.


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Secretary
Department of Health


TINA ROSE MARIE L. CANDA
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Department of Budget and Management