



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT

**EXECUTIVE SUMMARY OF THE
JOINT DEVOLUTION TRANSITION PLAN (DTP) OF THE
DEPARTMENT OF HEALTH (DOH)-NATIONAL NUTRITION COUNCIL (NNC)
AS REVIEWED AND APPROVED BY THE DBM**

Introduction

This document contains the Executive Summary of the DOH DTP which was originally submitted on 1 October 2021 and resubmitted on 29 October 2021¹, up to its submission of a final Joint DOH-NNC DTP version² on 28 January 2022, in compliance with Executive Order (EO) No. 138³ dated 1 June 2021.

One final possible change in the DTP was noted by the DOH in view of the assessment of the DOH-Disease Prevention and Control Bureau and USAID ReachHealth that concerns the procurement of commodities related to family planning. However, it was clarified by the DOH in an email on 16 February 2022 that they will no longer revise its DTP.

On the Strategic Directions/Shifts

The DOH noted that it has been in a devolved set-up since 1991. Hence, it sees the implementation of the Supreme Court ruling on the Mandanas-Garcia Cases as an opportunity for the local government units (LGUs) to continue with the assumption of the devolved functions under the Republic Act (RA) No. 7160 (*Local Government Code [LGC] of 1991*), hence, the **re-devolution**. For this purpose, the DOH has given operational definition on the phasing of program, activities, and projects (PAPs) to be *gradually devolved* within the three-year period (CY 2022-2024) as follows: (i) **fully devolved**, which refers to re-devolution of the **entire function or responsibility** to the LGUs; (ii) **partially devolved**, which refers to functions that will be **shared between the national government and LGUs**; and (iii) **retained with DOH/NNC**, which refers to **maintaining the inherent DOH/NNC-retained functions**.

On the considerations used in identifying the PAPs which could be re-devolved, in the case of the DOH, it identified: (i) LGU income classification; (ii) national allocation framework; (iii) capacity of LGUs; (iv) availability of services or commodities in the local market; and (v) implementation of RA No. 11223⁴ dated 20 February 2019, as basis. On the other hand, the NNC have considered the following elements: (i) nutritionally-at-risk areas; (ii) those with Provincial Nutrition Focal Points; and (iii) income classification of LGUs.

¹ In view of the initial evaluation of the DBM dated 15 October 2021.

² On 20 December 2021, the NNC, an attached agency of the DOH, submitted its DTP to the DBM for evaluation. However, in compliance with Section 5 of EO No. 138, wherein there shall be only one (1) DTP for each department which shall already cover the agencies attached to such department, it was referred to the DOH on 24 December 2021 for consolidation to its DTP. The submitted final version (Joint DOH-NNC DTP) already addressed the DBM findings and recommendations as contained/relayed in the in-depth evaluations and consultation meetings.

³ *Full Devolution of Certain Functions of the Executive Branch to Local Governments, Creation of a Committee on Devolution, and For Other Purposes*

⁴ *Universal Health Care (UHC) Act*

Nonetheless, the basis for re-devolving health functions of both the DOH and NNC is the **expenditure assignment of health functions** per Section 17 of the LGC.

In subject re-devolution, in the case of the DOH, the gaps in policy evaluation and cascading of service delivery standards (SDS) poses a challenge in the performance of its steering functions, hence, interventions to address said concern is provided by the agency in the DTP. In the case of the NNC, it was highlighted that the main challenge is the implementation by the LGUs of nutrition-related laws and ensuring that target beneficiaries gain from nutrition-related programs. Hence, a dedicated unit in the LGU, i.e., **Nutrition Office**, is proposed to be created.

On the Assignment of Functions, Services and Facilities to Each Level of Government

As a result of the aforesaid considerations, the PAPs subject for re-devolution are the (i) Health Facilities Enhancement Program (HFEP); (ii) Epidemiology and Surveillance; (iii) Human Resources for Health (HRH) Deployment; and (iv) Public Health Commodities.

On **HFEP**, the National Allocation Framework was used by the DOH as basis for the devolution of HFEP⁵ to different levels of LGUs. However, it noted that it will continue to fund DOH hospitals and other health facilities like Drug Abuse Treatment and Rehabilitation Centers, National Reference Laboratories and Blood Centers. Further, while the development of national policies on health and health facility standard and provisions of technical assistance will continuously be undertaken by the DOH, monitoring and evaluation of projects will be partially devolved since both the DOH and all levels of LGUs will handle the monitoring and evaluation of their respective projects.

On **HRH Deployment**, while the hiring of HRH is the responsibility of an LGU under a devolved set-up, under the UHC Act, the DOH is mandated to provide assistance to low income LGUs and geographically isolated and disadvantaged areas by deploying and augmenting the health workforce needs of the local health system. Hence, the DOH identified positions which the hiring will be retained with the NG, and those which could already be undertaken by the LGUs, i.e., the hiring of nurses and midwives will be fully devolved to 1st to 4th income municipalities⁶, while the hiring of doctors, dentists, medical technologists, pharmacists, nutritionist dietitians, and physical therapists will be retained with the DOH. Further, pre-service scholarship for medical and midwifery, formulation of national policies and standards and technical assistance shall also be retained with the DOH.

On **ESU**, both the DOH and the LGUs shall maintain their respective Epidemiology and Surveillance Units (ESUs). In the case of the DOH, the surveillance units shall be retained in its Central Office (CO) and Centers for Health Development (i.e., Regional ESU [RESU]). The RESU shall serve as the link of the LGUs and the NG to facilitate the timely availability of reliable data which could serve as a basis for the government in determining measures and responses.

On **Public Health Commodities**, the basis for **retention**⁷ with the DOH are those (i) internationally-procured or with limited local market; (ii) commodities with economies of scale; (iii) population-based services that need to be consistently implemented; and

⁵ It was noted that it may be difficult to adopt the HFEP criteria for other PAPs given that its basis for gaps identification are more complex.

⁶ In view of the low possibility of market failure i.e., instability in supply and demand

⁷ Retention does not mean the provision of the entire service but rather the provision of financial and non-financial assistance in support of the program implementation which still rests with the LGUs. Further, while supply and logistics management of some commodities shall be retained at the CO, the implementation and distribution of the same shall be done by the LGUs.

(iv) individual-based services but without PhilHealth package in the interim. On the other hand, those to be **re-devolved**⁸ to the LGUs are those (i) services or commodities that are readily available in the local market; (ii) services with existing PhilHealth benefit packages; and (iii) population-based services which LGUs have the capacity to implement. However, the procurement of commodities by the Health Emergency and Management Bureau as augmentation during disasters and outbreaks shall not be affected by the subject re-devolution.

Nonetheless, the DOH shall continue the provision of support to the remaining public commodities until 2024 until such time that they can be transitioned through expanded financing of PhilHealth, expansion of local markets, or pooled procurement mechanisms in accordance with the UHC Act.

In the case of the NNC, the *Tutok Kainan* Supplementation Program for Pregnant Women and Complementary Feeding Program for Children six (6) to 23 months old shall be re-devolved. Hence, it identified priority areas for the provision of funding support for the (i) procurement of food commodities, administrative costs, and nutritexts; (ii) social preparations; (iii) monitoring and evaluation; (iv) nutrition education; and (v) provision of contingency funds. On the other hand, those not included in the priority areas retained in NNC in 2022-2023 shall shoulder the entire funding support of all program components of the devolved PAP which shall include cooking, and distribution of commodities, among others.

To ensure readiness of LGUs to take on and manage the delivery of the devolved services, while the NNC was able to provide a checklist wherein the absence of one of the criteria will indicate non-readiness of LGUs, the DOH did not present any checklist albeit it adopted a general national allocation framework.

On Service Delivery Standards

For **HFEP**, the SDS includes standards and specifications for capital outlay investments such as infrastructure, equipment and medical transport vehicles, as well as the process of compliance with regulatory requirements, among others.

For **HRH Deployment**, the DOH highlighted the ideal distribution ratios of health professionals with the population, i.e., 1:5,000 for midwives and 1:10,000 for nurses, but with consideration of the availability of the same in the private sector.

For **epidemiology and surveillance**, the DOH highlighted the requirements for the hiring of Disease Surveillance Officers, which includes the salaries, benefits and minimum qualifications for the same.

For **public health commodities**, it was highlighted that the medicines to be procured and distributed are only those that are found in the Philippine National Drug Formulary and shall not exceed the mandated ceiling price for government entities based on the Drug Price Reference Index.

To serve as reference of the LGUs in implementing the incremental creation of permanent positions as provided in the UHC Act, the DOH has included a recommended organizational structures of LGU health facilities which were guided by DOH Administrative Order No. 2021-0021.⁹

⁸ The LGUs shall also be responsible not only with procurement, but as well as warehousing, storage, and distribution to its component LGUs and target population.

⁹ *Guidelines on the Integration of Local Health Systems into Province-wide and City-wide Health Systems*

In the case of the NNC, the SDS for the implementation of *Tutok Kainan* Supplementation Program is directed on the provision of supplemental food for pregnant or lactating women and six (6)-23 months old children, and complementary Early Childhood Care and Development in the first 1,000 days services such as nutrition education, micronutrient supplementation, and community/home food production. Also, the *Tutok Kainan* Guidelines will be updated to account for the full devolution under EO No. 138.

Further, the creation of a **Nutrition Office** which shall perform both coordination and implementation functions was highlighted, of which the establishment can be incremental based on the LGU capacity. With regards to the proposed staffing of the NNC for Provincial, Special City, Highly-Urbanized City, Component City and Municipal Nutrition Offices, the NNC identified the following positions to be established therein: (i) Nutrition Officer; (ii) Nutrition Program Coordinator; (iii) Nutrition-Dietitian; (iv) Administrative Assistant; and (v) Administrative Aide.

On NGA and LGU Capacity Development Strategy

The capacity development interventions noted by the DOH which could contribute to the overall performance of its functions are trainings focused on: (i) policy evaluation, standards integration, and health systems thinking; (ii) strategic communication and stakeholder management; and (iii) database management and analytics, among others. These interventions are expected to be undertaken between 2021 to 2022. However, there are also activities which are intended to be conducted year-round or on a regular basis.

In the case of the NNC, capacity development actions/activities include trainings, coaching and mentoring.

Nonetheless, both the DOH and NNC will tap the Development Academy of the Philippines and other service providers to address the identified capacity gaps.

With regards to the capacity development interventions for LGUs, for PAPs to be devolved by the DOH, various interventions are to be conducted per PAPs, e.g., orientation with LGUs on the guidelines for the implementation of projects funded for HFEP, localizing HRH Master Plan activities for HRH deployment, training of trainers on case-based surveillance training modules for epidemiology and surveillance, and development of own training programs on quantification or forecasting of public health commodities for public health commodities.

In the case of functions to be re-devolved by NNC, during the three (3)-year period, various activities such as roll-out of trainings will be done by the NNC and LGUs which will enable LGUs to fully absorb and manage the devolved functions and services per component of the program by 2024.

On Performance Monitoring and Assessment Framework

Consistent with one of the inherent functions of the DOH on monitoring and evaluation, to monitor the performance of the LGU, the DOH will utilize the existing **LGU Scorecard for Health**. Also, it developed a monitoring and assessment framework to assess the performance of the LGUs in the delivery of their services. On the other hand, the existing performance evaluation system/mechanism identified by the NNC are: (i) *Tutok Kainan* Reporting System; and (ii) survey of LGUs with existing dietary supplementation program in the first 1,000 days.

On the provision of incentives, both the DOH and NNC considers including relevant performance indicators in the existing incentive schemes such as the Seal of Good Local Governance.

Further, while the DOH opted not to include sanctions as one of the mechanisms in ensuring the performance by LGUs of devolved PAPs, the imposition of sanctions for non-compliant LGUs through cutting of assistance and the evaluation of the LGUs to determine reason/s for non-compliance were identified by the NNC.

On Organization Effectiveness Proposals

Inasmuch as the DOH has been in a devolved set-up since 1991, both the DOH and NNC did not have any organization effectiveness proposals, including existing positions that will be affected by re-devolution of basic services and facilities to LGUs.

Nonetheless, the shifting of functions of the **six (6) programs** of the DOH and the NNC would **still have considerable impact** on the organizational units and personnel which are existing and to be retained in the Department. As such, the following could be pursued outside the re-devolution efforts: (i) revisit the existing organizational structure and/or staffing pattern in relation to the implementation of the HFEP and similar programs after the re-devolution of such functions (for HRH deployment), as well as of the CHDs nationwide (for epidemiology and surveillance); (ii) consider the aggressive filling of the remaining 24 vacant positions in the Supply Chain Management Service (for public health commodities); and (iii) consider whether item 11.3 of Commission on Audit-DBM Joint Circular No. 2¹⁰, s. 2020 may be applied in the case of the job order workers of the NNC relative to their vacant positions.

Summary of Observations and Recommendations for Implementation

- The NNC shall ensure that *Tutok Kainan* Guidelines will be prepared in time for the devolution of the Program to serve as guide to the LGUs in its implementation.
- The separate training/capacity enhancement for Pregnant Women and Children six (6) to 23 months old could be considered by the NNC in the implementation of its DTP.
- In terms of capacity development, the NNC mentioned the absence of a survey/study on the different feeding systems/practices of LGUs. This may provide an opportunity for collaboration with the Local Government Academy which maintains/develops competency profiles of LGUs as part of their overall assessment of the capacity development needs of LGUs. It is recommended, however, that NNC should also conduct modes of technical assistance/capacity development strategies such as adoption of LGU Capacity Development Framework to ensure that there is knowledge transfer to the LGUs.
- The NNC should ensure that the incentives to be given have no duplication with other incentives. It could also explore the possibility of including it as one of the indicators in the LGU Scorecard as planned by the DOH which is for updating by 4th quarter of 2022.

- End -

DOH DTP Approved by DBM on March 24, 2022

¹⁰ Updated Rules and Regulations Governing Contract of Service (COS) and Job Order (JO) Workers in the Government (October 20, 2020)