



July 2019 - June 2022

#### NATIONAL OFFICERS

GOV. PRESBITERO J. VELASCO, JR.  
National President

GOV. DAKILA CARLO E. CUA  
National Chairman

GOV. SUSAN A. YAP  
Executive Vice President

GOV. ALBERT RAYMOND S. GARCIA  
Vice President for Luzon (North)

GOV. HUMERLITO A. DOLOR  
Vice President for Luzon (South)

GOV. FLORENCIO T. MIRAFLORES  
Vice President for Visayas

GOV. WILTER Y. PALMA  
Vice President for Mindanao

GOV. NELSON L. DAYANGHIRANG  
Secretary-General

GOV. IMELDA Q. DIMAPORO  
Treasurer

GOV. MARILOU H. CAYCO  
Assistant Treasurer

GOV. NANCY A. CATAMCO  
Assistant Treasurer

GOV. MARIA JOCELYN V. BERNOS  
Auditor

GOV. MATTHEW JOSEPH MARCOS MANOTOC  
Deputy Secretary-General for Luzon (North)

GOV. JOSE R. RIANO  
Deputy Secretary-General for Luzon (South)

GOV. ARTHUR R. DEFENSOR, JR.  
Deputy Secretary-General for Visayas

GOV. JAYVEE TYRON L. UY  
Deputy Secretary-General for Mindanao

Publications and Public Information Officers:

GOV. ELEANOR C. BULUT-BEGTANG (North Luzon)

GOV. EDUARDO B. GADIANO (South Luzon)

GOV. BEN P. EVARDONE (Visayas)

GOV. JURDIN JESUS M. ROMUALDO (Mindanao)

GOV. ARTHUR C. YAP  
Investment Promotions Officer

#### NATIONAL EXECUTIVE BOARD

CAR GOV. MARIA JOCELYN V. BERNOS

Region I GOV. RYAN LUIS V. SINGSON

Region II GOV. DAKILA CARLO E. CUA

Region III GOV. SUSAN A. YAP

Region IV-A GOV. HERMILANDO I. MANDANAS

MIMAROPA GOV. PRESBITERO J. VELASCO, JR.

Region V GOV. AL FRANCIS C. BICHARA

Region VI GOV. FLORENCIO T. MIRAFLORES

Region VII GOV. ZALDY S. VILLA

Region VIII GOV. LEOPOLDO DOMINICO L. PETILLA

Region IX GOV. WILTER Y. PALMA

Region X GOV. JURDIN JESUS M. ROMUALDO

Region XI GOV. JAYVEE TYRON L. UY

Region XII GOV. NANCY A. CATAMCO

CARAGA GOV. FRANCISCO T. MATUGAS

BARMM GOV. MAMINTAL A. ADIONG, JR.

#### Board Members-at-Large

Luzon (North) GOV. ALBERT RAYMOND S. GARCIA

Luzon (South) GOV. HUMERLITO A. DOLOR

Visayas GOV. BEN P. EVARDONE

Mindanao GOV. NELSON L. DAYANGHIRANG

#### Council of Advisers

GOV. JOSE CH ALVAREZ

GOV. DANILO E. SUAREZ

GOV. CARLOS M. PADILLA

GOV. JUANITO VICTOR C. REMULLA, JR.

SEN. IMEE R. MARCOS

ATTY. JOSE "JOEY" D. LINA, JR.

# LEAGUE OF PROVINCES OF THE PHILIPPINES

Unit 1510, West Tower, Philippine Stock Exchange Centre, Exchange Road  
Ortigas Center, Pasig City, Philippines

Trunklines: (632) 631-0170; 631-0197; 687-5399 | Fax Nos. (632) 687-4048

Email: lppsec2007@yahoo.com | Website: www.lpp.gov.ph

12 December 2020

**HON. LORD ALLAN JAY Q. VELASCO**

*Speaker*

House of Representatives

Batasan Hills, Quezon City

*Dear Speaker Velasco:*

It has come to our attention that there are at least fifty (50) pending proposed bills in Congress seeking the renationalization of provincial and district hospitals to the Department of Health (DOH) which run counter to the national policy enshrined in the 1987 Constitution and in several provisions of the 1991 Local Government Code or R.A. 7160.

The national policy already provides the promotion of an enhanced local autonomy of LGUs, (emphasis supplied), to wit:

#### 1. *1987 Constitution*

- *Article II. SECTION 25. The State shall ensure the autonomy of local governments.*
- *Article X, SECTION 2. The territorial and political subdivisions shall enjoy local autonomy.*

#### 2. *R.A. No. 7160, 1991 Local Government Code also provides:*

- *Section 3. Operative Principles of Decentralization. - The formulation and implementation of policies and measures on local autonomy shall be guided by the following operative principles:*

x x x

*(d) The vesting of duty, responsibility, and accountability in local government units shall be accompanied with provision for reasonably adequate resources to discharge their powers and effectively carry out their functions: hence, they shall have the power to create and broaden their own sources of revenue and the right to a just share in national taxes and an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas;*

x x x

*(h) There shall be a continuing mechanism to enhance local autonomy not only by legislative enabling acts but also by administrative and organizational reforms;*

x x x

*(k) The realization of local autonomy shall be facilitated through improved coordination of national government policies and programs an extension of adequate technical and material assistance to less developed and deserving local government units;*

x x x

- **Section 17. Basic Services and Facilities.** -

(a) Local government units shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. They shall also discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to this Code. Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provisions of the basic services and facilities enumerated herein.

(b) Such basic services and facilities include, but are not limited to, the following:

(3) For a Province:

x x x

(iv) Subject to the provisions of Title Five, Book I of this Code, health services which include hospitals and other tertiary health services;

x x x

(vi) Provincial buildings, provincial jails, freedom parks and other public assembly areas and similar facilities;

x x x

### 3. R.A. 11223, *The Universal Health Care (UHC) Law*

x x x

- **Section 19. Integration of Local Health Systems into Province-wide and City-wide Health System.** - The DOH, DILG, PhilHealth and the LGUs shall endeavor to integrate health systems into province-wide and city-wide health systems. The Provincial and City Health Boards shall oversee and coordinate the integration of health services for province-wide and city-wide health systems, to be composed of municipal and component city health systems, and city-wide health systems in HUCs and ICCs, respectively. The Provincial and City Health Boards shall manage the Special Health Fund referred to in Section 20 of this Act and shall exercise administrative and technical supervision over health facilities and health human resources within their respective territorial jurisdiction, x x x”

Therefore, renationalization is not really the answer to resolve the current problems faced by LGUs due to lack of resources. There merely is a need for the national government to provide LGUs with the reasonable adequate resources for them to give flesh and meaning to these national policies enshrined in our Constitution and enunciated in existing laws.

When R.A. No. 7160 was passed into law, it did not provide for the allocation of such resources but merely a subsidy for at least three (3) years. Since R.A. No. 7160 took effect in 1991, such subsidy had ceased and provinces have been shouldering the cost of managing provincial jails.

At the very least, if the national government is determined to re-acquire the management of provincial and district hospitals, if in case the land and hospital facilities belong to the LGU concerned, it is necessary to properly compensate the

LGU. It would also be fair if the acquisition, if negotiated, is supported by the approval of the concerned local government and the endorsement of the concerned provincial sanggunian.

Anent the re-nationalization of hospitals, LGUs are currently implementing the new UHC law where provinces and HUCs play a pivotal role in providing an integrated local health system. Local governments have stood their ground and oppose efforts to defeat devolution and decentralization and, instead, fought for the transfer of the funds necessary to implement the devolved functions to local governments. In 2018, the provision of the cost of devolved functions or CODEF was discontinued abruptly by the DBM since it was an illegal holdback from our IRA or NTA.

Since 1991, local governments have been shortchanged with the non-allocation of their just share in national taxes. Fortunately, in the twin-cases of *Mandanas vs. Ochoa*<sup>1</sup> and *Garcia vs. Ochoa*,<sup>2</sup> the Supreme Court *En Banc* held that local governments are entitled to a just share not only in internal revenue taxes as appearing in Section 284 of R.A. No. 7160 but also in all the national taxes.

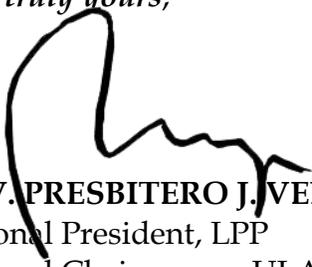
The proposal, therefore, for the transfer of provincial hospitals to the national government under the auspices of the DOH poses a dangerous precedent that might open the floodgates of negating the gains of devolution and decentralization.

In view of the Covid-19 pandemic, we proposed a survey of provincial hospitals and their requirements to improve services with the end in view of providing financial and technical assistance through grants and additional allocation. Upgrading their facilities and increasing bed-capacity need not result in re-nationalizing them but merely extending necessary support from the national government.

A drastic re-nationalization of provincial hospitals as a national policy or by act of Congress is anathema to the efforts to strengthen local governments to become self-sustaining communities. Adequate resources from the national government, as the immediate release of their just share in the national taxes, must be plowed back instead to local governments for the prompt delivery of adequate basic services to our people.

Thank you.

*Very truly yours,*



GOV. PRESBITERO J. VELASCO, JR.  
National President, LPP  
National Chairperson, ULAP

Cc: Chairman, House Committees on Health and Local Government

---

<sup>1</sup> G.R. No. 199802, 03 July 2018.

<sup>2</sup> G.R. No. 208488, 03 July 2018.