



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Republic of the Philippines

BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

Ministry of Finance, and Budget and Management

Bangsamoro Government Center, Rosary Height VII, Cotabato City

BANGSAMORO BUDGET CIRCULAR

No. 2024011

20 Rajab 1445 AH

1 February 2024

TO : Minister of Health, Chief of Hospitals and Other Health Facilities under the Jurisdiction of and Receiving Funding Support from the Bangsamoro Government, Heads of Accounting and/or Finance units of such Hospitals and Other Health Facilities and All Others Concerned

SUBJECT : GUIDELINES ON THE RETENTION AND USE OF INCOME BY HOSPITALS AND OTHER HEALTH FACILITIES UNDER THE JURISDICTION OF AND RECEIVING FUNDING SUPPORT FROM THE BANGSAMORO GOVERNMENT PURSUANT TO SPECIAL PROVISION NO. 12 OF THE MINISTRY OF HEALTH APPROPRIATIONS UNDER THE GENERAL APPROPRIATIONS ACT OF THE BANGSAMORO FOR THE FISCAL YEAR 2024

1.0 BACKGROUND

Section 3 of the Bangsamoro Autonomy Act No. 56¹, otherwise known as, the General Appropriations Act of the Bangsamoro (GAAB) Fiscal Year (FY) 2024 provides for the general provision on the receipts or revenues collected by Ministries, Offices, and Agencies. As a general rule, all fees, charges, assessments, and other receipts or revenues collected by Ministries, Offices, and Agencies of the Bangsamoro Government, in the exercise of their mandated functions, at such rates as are now or may be approved by the appropriate authority, shall be remitted and deposited to the Bangsamoro Treasury, in accordance with Section 3, Chapter I, Book VII of Bangsamoro Autonomy Act No. 13², and shall form part of the general fund. Such fund can only be used when appropriated unless provided otherwise in any Act.

An exception provided by Section 3 of the GAAB FY 2024 is the remittance by the Hospitals and Other Health Facilities under the jurisdiction of and receiving funding support from the Bangsamoro Government of only twenty percent

¹ Bangsamoro Autonomy Act No. 56, An Act Appropriating Funds for the Operation of the Bangsamoro Government from January One to December Thirty-One, Two Thousand And Twenty-Four and for other purposes, dated December 21, 2023.

² Bangsamoro Autonomy Act No. 13, An Act Providing for the Bangsamoro Administrative Code and for Other Related Purpose, dated October 28, 2020.

(20%) of all their income generated from operation of provincial hospitals, district hospitals and municipal hospitals, including drug abuse treatment and rehabilitation centers and facilities, blood service facilities (blood stations, blood collection units, blood banks), laboratories, and other revenue-generating units. The remaining eighty percent (80%) shall be retained and used to augment the hospitals and other health facilities' MOOE and Capital Outlay requirements.

The retention of a portion of the income generated by health facilities in the Bangsamoro Autonomous Region reflects the government's recognition of the need for these facilities to have financial resources to improve their services. This policy enables health facilities to invest in their capacity, infrastructure, and service quality, ultimately benefitting the communities they serve.

To ensure accountability and responsible use of retained income, the GAAB FY 2024 has laid down Special Provision No. 12³ in the Ministry of Health (MOH) appropriations as a guide on the utilization of the retained income to augment the hospitals and other health facilities' Maintenance and Other Operating Expenses (MOOE) and Capital Outlay (CO) requirements.

2.0 COVERAGE

This circular shall cover all income collected by hospitals and other health facilities under the jurisdiction of and receiving funding support from the Bangsamoro Government.

3.0 GENERAL GUIDELINES

3.1 Hospitals and Other Health Care Facilities under the jurisdiction of and receiving funding support from the Bangsamoro Government **shall remit twenty percent (20%) of all their income generated from operation** (including but not limited to collections from PHIC, AMBAG, MAIP, etc.) of provincial hospitals, district hospitals and municipal hospitals, including drug abuse treatment and rehabilitation centers and facilities, blood service facilities (blood stations, blood collection units, blood banks), laboratories, and other revenue-generating units to the Bangsamoro Treasury.

3.2 The 20% amount to be remitted shall be directly deposited to the Bangsamoro Treasury account in compliance to Bangsamoro Treasury Circular No. 2023-01⁴.

³ Bangsamoro Autonomy Act No. 56, General Appropriations Act of the Bangsamoro FY 2024, Ministry of Health, Special Provision No. 12, Hospital and Other Health Care Facilities Income.

⁴ Bangsamoro Treasury Circular No. 2023-01 dated March 23, 2023, Updates on the General Guidelines on Collections and Deposits of Bangsamoro Taxes, Fees, and Charges.

3.3 The remaining eighty percent (80%) may be used to augment the hospitals and other health facilities' MOOE and Capital Outlay requirements, subject to the following conditions:

3.3.1 At least twenty-five Percentage (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services, and the remaining balance shall be used for MOOE, including the hiring of Health Workers on Job-Order basis; and

3.3.2 Income sourced from PhilHealth reimbursements from rendered medical services shall be used exclusively by said hospitals and other health care facilities for the improvement of their facilities, and for the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

3.4 In no case shall said amount be used for the payment of personnel services costs (i.e. salaries, allowances, and other benefits of employees) of the hospitals and other health care facilities.

3.5 Disbursements and expenditures by the hospitals and other health care facilities under the supervision of the MOH in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with existing laws.

4.0 REPORTING REQUIREMENTS

4.1 The MOH shall prepare and submit the annual operating budget (see Annex A) through the Hospitals and Other Health Care Facilities for the current year and the corresponding expenditures to the Ministry of Finance, and Budget and Management not later than November 15 of the preceding year. Likewise, it shall submit to the MFBM not later than March 1 of the current year its audited financial statements for the immediately preceding year.

To ensure timely and accurate submission of reports, the MOH shall prescribe a mechanism in collecting the corresponding annual operating budget for the current year, and audited financial statements for the immediately preceding year of the Hospitals and Other Health Care Facilities.

4.2 The provincial hospitals, district hospitals and municipal hospitals shall submit quarterly report (see Annex B) of the receipts and expenditures on

the use of their income to the MOH. MOH shall thereafter submit a copy of the report to the Ministry of Finance, and Budget and Management.

4.3 The Health Minister, the Ministry's web administrator or his/her equivalent, and the Chiefs of Hospitals shall be responsible for ensuring that the foregoing documents are likewise posted on the Ministry's/Hospital's website.

5.0 RESPONSIBILITY OF HEAD OF HEALTH FACILITY

The Chief of Hospitals and Other Health Facilities under the jurisdiction of and receiving funding support from the Bangsamoro Government shall strictly implement the provisions of this circular subject to sanctions provided under existing laws and regulations.

6.0 SEPARABILITY CLAUSE

If any part or provision of this Circular is held invalid or unconstitutional, other provisions not affected thereby shall remain in force and effect.

7.0 REPEALING CLAUSE

All provisions of existing circulars and other issuances inconsistent with this Circular are modified accordingly.

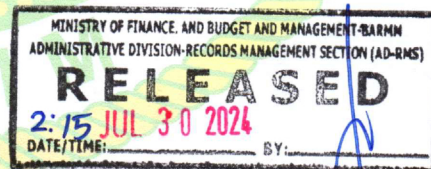
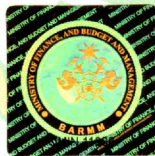
8.0 SAVING CLAUSE

Cases not covered in this Circular shall be referred to the MFBM for resolution.

9.0 EFFECTIVITY

This circular shall take effect immediately.

UBAIDA C. PACASEM
Minister



Annex A

**STATEMENT OF OTHER RECEIPTS/EXPENDITURES
OFF-BUDGETARY AND CUSTODIAL FUNDS
FY _____**

Hospital/Health Facility:											
NATURE OF RECEIPTS	SOURCE OF REVENUE	LEGAL BASIS	NATURE OF EXPENDITURES	CASH BALANCE as of Dec. 31, _____	AMOUNT IN P'000						REMARKS
					PAST YEAR ACTUAL		CURRENT YEAR PROGRAM		SUCCEEDING YEAR PROPOSED		
					RECEIPT	EXPENDITURE	RECEIPT	EXPENDITURE	RECEIPT	EXPENDITURE	
Off - Budgetary Funds Medical Assistance: Medical Assistance for Indigent Patients Program (MAIPP) Ayudang Medikal Mula sa Bangsamoro Government (AMBag) <i>Other Medical Assistance</i>	Income from Hospital Operations Income from Laboratories Income from Drug Abuse Treatment and Rehabilitation Centers		Remittance to the BTO Operations and Maintenance of Facilities Purchase and Upgrading of Hospital Equipment Hiring of Health Workers on Job-Order Basis								
Philhealth Reimbursement: Hospital Charges Chief of Facility <i>Other PHIC Reimbursements</i>	Income from Hospital Operations Income from Blood Service Facilities		Improvement of Hospital Facilities Replenishment of Drugs/Medical Supplies Others								
GRAND TOTAL											
PREPARED BY: _____				APPROVED BY: _____				DATE: _____			
HEAD OF ACCOUNTING/FINANCE UNIT				MINISTER OF HEALTH				MM/DD/YYYY			

Note: The inputs in the sample is not the exclusive list of income and expenses needed to be reported.

Annex B

QUARTERLY REPORT OF REVENUE AND EXPENDITURE
 As of the Quarter Ending _____
 (In Pesos)

Hospital/Health Facility : _____

CLASSIFICATION / SOURCES OF REVENUE AND OTHER RECEIPTS	REVENUE TARGET (Annual)	ACTUAL REVENUE AND OTHER RECEIPTS COLLECTIONS					CUMULATIVE REMITTANCE / EXPENDITURE								VARIANCE		Remarks	
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	Remittance to BTO	Deposited with Hospital Bank Account	Operations and Maintenance of Facilities	Purchase and Upgrading of Hospital Equipment	Hiring of Health Workers on Job-Order Basis	Improvement of Hospital Facilities	Replenishment of Drugs/Medical Supplies	Others	Total	Amount		%
Off - Budgetary Funds Medical Assistance: Medical Assistance for Indigent Patients Program (MAIPP) Ayudang Medikal Mula sa Bangsamoro Government (AMBIG) Other Medical Assistance Philhealth Reimbursement: Hospital Charges Chief of Facility Other PHIC Reimbursements TOTAL																		
PREPARED BY:		APPROVED BY:						DATE:										
_____ HEAD OF ACCOUNTING/ FINANCE UNIT		_____ HEAD OF HOSPITAL/ HEALTH FACILITY						_____ MM/DD/YYYY										

Note: The inputs in the sample is not the exclusive list of income and expenses needed to be reported.