Estimate of PhilHealth reserve funds not inflated, DoF says

THE Department of Finance (DoF) rejected claims that it inflated its estimate of reserves held by the Philippine Health Insurance Corp. (PhilHealth) by P28.08 billion to justify the government's raid on the health insurer's funds.

"The presentation is faithful. PhilHealth adopts an accrual basis of accounting for both revenue and expense recognition. This means that revenue and expenses have both cash and non-cash components," the DoF told *BusinessWorld* on Monday.

These allegations were raised by Juan Antonio Perez III, a former undersecretary for Population and Development and member of the Universal Health Care Collective.

Mr. Perez alleged that Finance Secretary Ralph G. Recto made inaccurate statements during a Senate hearing on July 30 regarding PhilHealth's excess funds.

He presented these claims during a briefing in Quezon City on Monday.

"PhilHealth actually reported that year that the DBM (Department of Budget and Management) had not fully released the premium subsidy, withholding P28.08 billion meant for 12,618,921 National Household Targeting System indirect members," he said in the statement, referring to a program benefiting poor households.

Mr. Perez said this led to a P12-billion deficit for PhilHealth in 2023 when "it paid out that much more for claims of indirect members."

"The Department of Finance failed to disclose this to the Senate on July 30 when it reported "excess funds" amounting to P89.9B, bloating that figure by 31%," he said.

The DoF said that "Fund Balance calculation of the Executive deducted the accrued, non cash expenses of PhilHealth for indirect contributors."

In April, PhilHealth was ordered to remit P89.9 billion to the Bureau of the Treasury, on the strength of a provision in the 2024 budget that allowed the government to tap reserve funds held by government-owned and -controlled corporations.

The Supreme Court (SC) later issued a temporary restraining order preventing the further transfer of P29.9-billion tranche after three transfers.

The SC has scheduled oral arguments on Feb. 4 for challenges to the transfer of the P89.9 billion in excess funds.

"Clearly, the DoF wanted to project a picture of financial stability and excess cash in the corporation to justify its unconstitutional cash sweep in 2024," Mr. Perez said.

He also said that this "false narrative" led Congress to justify stripping the subsidies for the PhilHealth in the 2025 General Appropriations Act. — **Aubrey Rose A. Inosante**

P12-B Pampanga solar project declared eligible for green lane

TIGON POWER CORP.'s P12.36-billion ground-mounted solar power plant is set to receive green lane treatment after it was certified by the One-Stop Action Center for Strategic Investments (OSACSI), the Board of Investments (BoI) said.

In a statement on Monday, the BoI said that a green lane certificate was awarded to Sapang Balen Solar Sustainable Energy Corp. (SBSSEC) last month.

SBSSEC is a special purpose vehicle registered with the Securities and Exchange Commission (SEC) created to develop the solar project. It is controlled by Filipino-owned Tigon Power Corp., and the project has a capacity of almost one gigawatt.

The certificate covers one of Tigon Power's solar projects that will rise in Mabalacat and Magalang, Pampanga.

The site for the solar farm is 405.52 hectares.

"The project is also expected to generate up to 5,000 direct and indirect employment opportunities during its stages of construction, commissioning, operations, and maintenance," the BoI said.

"OSACSI will continuously monitor the actions taken by agencies on applications for permits and licenses and shall submit a report accordingly," it added.

Created through Executive Order No. 18 in February 2023, "green lanes" aim to expedite the permit and licensing process for strategic investments.

As of Jan. 17, the BoI OSACSI has endorsed 179 projects worth P4.55 trillion for green lane treatment.

Of the total, 144 are RE projects worth P4.15 trillion, comprising 80.45% of the certified projects.

Investment in RE projects increased after the government allowed full foreign ownership in the sector, which was previously capped at 40%.

The other projects were activities related to food security, digital infrastructure, and manufacturing. — **Justine Irish D. Tabile**

PHILIPPINE STAR/MIGUEL DE GUZMAN

NFA Q4 procurement tops 208,691 MT

THE National Food Authority (NFA) reported that it procured 208,691.6 metric tons (MT) of palay, or unmilled rice in the fourth quarter, equivalent to 4.17 million bags weighing 50 kilograms each.

The NFA said procurement was significantly higher than the year-earlier total of 42,930.2 MT.

Nevertheless, the quarter's procurement amounted to only 66.84% of its 312,209.5 MT target.

"In spite of the implementation of the Price Range Scheme (PRICERS), the non-attainment of the target was mainly due to the NFA's limited drying capacity, when the primary trading during this period is fresh or wet palay," the NFA added.

The PRICERS program sets a buying range of palay per province and by grade of grain at prices that are competitive against those offered by traders.

The NFA said it distributed 323,206 bags (16,160.3 MT) of milled rice in the fourth quarter, also well below target.

The distribution during the quarter was only 27.4% of its 1.18 million bags for the period.

"Sales of NFA rice were limited only to disaster/calamity response of local government units and other government relief agencies with minimal volume requested," it added. — **Adrian H. Halili**

BIR rules P7,000 uniform allowance for gov't employees not taxable

THE Bureau of Internal Revenue (BIR) has upheld the tax exemption on the P7,000 uniform or clothing allowance of government employees.

"Pursuant to Sections 4 and 244 in relation to Section 33 of the Tax Code of 1997, these regulations are hereby promulgated to further amend RR Nos. 2-98, as amended, with respect to de minimis benefits which are exempted from income tax on compensation as well as from fringe benefits tax in relation to the implementation of Republic Act No. 11466," the BIR said in a revenue regulation dated Jan. 30.

This regulation will take effect after 15 days following publication.

In April 2024, the Department of Budget and Management (DBM) announced in a budget circular an increase in the uniform grant to P7,000 annually to qualified government employees.

This clothing grant was P6,000 previously.

The DBM circular covered civilian government personnel occupying regular, contractual, or casual positions; appointive or elective posts; and those rendering services on a full-time or part-time basis. — **Aubrey Rose A. Inosante**