Republic of the Philippines
Supreme Court
Manila

EN BANC

PHILIPPINE HEALTH INSURANCE CORPORATION, Petitioner, -versus- **COMMISSION ON AUDIT,** Respondent, **PHILIPPINE HEALTH INSURANCE CORPORATION EMPLOYEES' ASSOCIATION, through Its Leaders, Lorna Bernas, Susan G. Iduyao, et. al.,** Petitioners-Intervenors.	**G.R. No. 255569** Present: GESMUNDO, *J.*, Chairperson, LEONEN, CAGUIOA, HERNANDO, LAZARO-JAVIER, INTING, ZALAMEDA, LOPEZ, M. GAERLAN, ROSARIO, LOPEZ, J. DIMAAMPAO, MARQUEZ, KHO, JR., and SINGH, *JJ.* **Promulgated:** February 27, 2024

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SINGH, *J.*:

RESOLUTION

This is a Petition for *Certiorari*[1] (**Petition**) under Rule 65, in relation to Rule 64 of the Rules of Court filed by the petitioner Philippine Health Insurance Corporation (**PHIC**), which seeks to set aside the December 28,

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[1] *Rollo*, pp. 3–40.

2016 Decision No. 2016-474[2] and the January 31, 2020 Resolution No. 2020-405[3] of the Commission on Audit (**COA**) for having been issued with grave abuse of discretion. The assailed Decision denied the Petition for Review filed by the PHIC for having been filed out of time and for lack of merit. The assailed Resolution denied the PHIC's Motion for Reconsideration.

The Facts

This case stemmed from four separate Notices of Disallowance (**NDs**) issued on various dates by the Supervising Auditor of the COA assigned to PHIC amounting to a total of PHP 43,810,985.26:

a) ND No. 10-001-717(08) dated March 12, 2010 was issued disallowing the Withholding Tax Portion of the Productivity Incentive Bonus for calendar year (CY) 2008 in the amount of PHP 12,758,649.75 received by PHIC on March 29, 2010;

b) ND No. 10-002-725(09) dated March 29, 2010 was issued disallowing the Collective Negotiation Agreement (**CNA**) Incentive included in the computation of the Productivity Incentive Bonus for CY 2008 in the amount of PHP 10,460,000.00 received by PHIC on March 29, 2010;

c) ND No. 10-003-725(09) dated April 13, 2010 was issued disallowing the Presidential Citation Gratuity for CY 2009 in the amount of PHP 18,347,758.02 received by PHIC on April 14, 2010;

d) ND No. 10-004-725(09) dated April 21, 2010 was issued disallowing the Shuttle Service Assistance for CY 2009 in the amount of PHP 2,244,577.49 received by PHIC on April 21, 2010.

On August 24, 2010, PHIC filed its Consolidated Memorandum of Appeal before the Commission on Audit-Corporate Government Sector (**COA-CGS**), assailing the issuance of the NDs.

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[2] *Id.* at 53–57. Signed by Chairperson Michael G. Aguinaldo and Commissioners Jose A. Fabia and Isabel D. Agito of the Commission on Audit, Quezon City.

[3] *Id.* at 60–67. Signed by Chairperson Michael G. Aguinaldo and Commissioners Jose A. Fabia and Roland C. Pondoc of the Commission on Audit, Quezon City.

The Ruling of the COA-CGS

On May 16, 2012, the COA-CGS rendered its Decision[4] denying the appeal of PHIC and affirming the issuance of the NDs as follows:

> **WHEREFORE**, premises considered, the instant appeal is hereby **DENIED**. Accordingly, ND Nos. 10-001-717(08), 10-002-725(09), 10-003-725(09), and 10-004-725(09) dated [March 12,] 2010, [March 29,] 2010, [April 13,] 2010[,] and [April 21,] 2010, respectively, is hereby **AFFIRMED**.[5] (Emphasis in the original)

In its Decision, the COA-CGS held that the issuance of the NDs was in order as PHIC did not have the authority to grant increases, emoluments, or new allowances without the approval of the President of the Philippines.[6]

PHIC received the Decision of the COA-CGS on May 22, 2012. PHIC filed a Motion for Extension of Time to File Petition for Review[7] before the COA on June 26, 2012. On July 13, 2012, PHIC filed its Petition for Review.[8]

The Ruling of the COA

In its Decision, the COA denied the appeal of PHIC for ND Nos. 10-001-717(08), 10-002-725(09), and 10-003-725(09) for being filed out of time. As to the appeal of the issuance of ND No. 10-004-725(09), the same was denied due to lack of merit as follows:

> **WHEREFORE**, premises considered, the Petition for Review of Dr. Eduardo P. Banzon, President and Chief Executive Officer, [PHIC], of [COA-CGS]-A Decision No. 2012-08 dated May 16, 2012 is **DENIED**. Accordingly, Notice of Disallowance Nos. 10-001-717 (08), 10-002-725 (09), and 10-003-725 (09) dated March 12 and 29, and April 13, 2010, in the total amount of [PHP] 41,566,407.77 are **AFFIRMED with FINALITY**. ND No. 10-004-725 (09) dated April 21, 2010, on the grant of Shuttle Service Allowance to the officers and employees of PhilHealth in the total amount of [PHP] 2,244,577.49, is **DENIED** for lack of merit. The total amount of disallowance of [PHP] 43,810,985.26 is hereby **AFFIRMED**.[9] (Emphasis in the original)

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4 *Id.* at 136–147. Penned by Director III Officer-in-Charge Angelina B. Villanueva of the Corporate Government Sector Cluster A-Financial, Commission on Audit, Quezon City.
5 *Id.* at 147.
6 *Id.* at 145.
7 *Id.* at 103–104.
8 *Id.* at 166–190.
9 *Id.* at 57.

The COA found that the Petition for Review, with respect to ND Nos. 10-001-717(08), 10-002-725(09), and 10-003-725(09), was filed beyond the six-month reglementary period. Further, PHIC failed to provide sufficient justification for the belated filing of the Petition for Review. Hence, the COA found that there was no compelling reason to relax the application of its procedural rules.[10]

With respect to the issuance of ND No. 10-004-725(09), the COA resolved the same on the merits and found that the disallowance was proper. The COA found that PHIC had no authority to grant additional allowances to its employees and therefore the grant of a shuttle service allowance is prohibited by law.[11]

On January 31, 2020, the COA issued a Resolution[12] denying the PHIC's Motion for Reconsideration.

Aggrieved, PHIC filed this Petition for *Certiorari*[13] dated February 14, 2021, though the Petition was only filed on February 26, 2021.[14]

The Issue

The issue for the Court's consideration is whether the COA gravely abused its discretion in dismissing the Petition for Review of PHIC:

a. with respect to ND Nos. 10-001-717(08), 10-002-725(09), and 10-003-725(09), for being filed out of time; and

b. with respect to ND No. 10-004-725(09) for lack of merit.

PHIC argues that it timely filed its Petition for Review and that the COA's decision to dismiss the Petition for Review was tainted with grave abuse of discretion. In its Petition, PHIC posits that a computation of the period that had lapsed would show that it did not in fact exhaust the reglementary period. PHIC further asserts that it timely filed a Motion for

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10 *Id.* at 55.
11 *Id.* at 56–57.
12 *Id.* at 60–67.
13 *Id.* at 3–40.
14 *Id.* at 3, 4.

Extension, and combined with the 180-day reglementary period, the Petition for Review was thus timely filed.[15]

PHIC also takes the position that mere procedural technicalities should not hinder the complete adjudication of the case on the merits, as the outcome of this case could potentially affect thousands of PHIC personnel.[16]

As to the merits, PHIC argues that the grant of the disallowed benefits is pursuant to law and a valid Collective Negotiating Agreement and that PHIC had the fiscal authority to grant them, as confirmed and approved by Former President of the Philippines Gloria Macapagal Arroyo (**President Arroyo**) in the Letter[17] dated March 7, 2008 of Former Secretary of the Department of Health Francisco T. Duque III (**Secretary Duque**).[18]

In its Comment[19] dated August 23, 2021, the COA through the Office of the Solicitor General (**OSG**), maintains that there was no grave abuse of discretion committed in issuing the NDs and denying the Petition for Review. According to the OSG, the Petition for Review insofar as ND Nos. 10-001-717(08), 10-002-725(09), and 10-003-725(09) are concerned, was filed out of time. Without any justifiable reason that warrants a relaxation of the rules, PHIC cannot expect a relaxation of the procedural rules in its favor.[20]

The Ruling of the Court

The Court upholds the COA Decision.

An appeal made before the COA Proper must be filed within the six-month period

The Revised Rules of Procedures of the Commission on Audit (**RRPC**) prescribes the period for filing appeals before the COA Proper. The six-month period finds basis in Rule VII, Section 3 of the RRPC as follows:

> SEC. 3. Period of Appeal. — The appeal shall be taken within the time remaining of the six (6) months period under Section 4, Rule V, taking

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15 *Id.* at 340–342.
16 *Id.* at 342.
17 *Id.* at 322–323.
18 *Id.* at 350.
19 *Id.* at 379–418.
20 *Id.* at 391–397.

> into account the suspension of the running thereof under Section 5 of the same Rule in case of appeals from the Director's decision, or under Sections 9 and 10 of Rule VI in case of decision of the [Adjudication and Settlement Board].

Parenthetically, Rule V, Section 4 of the RRPC provides as follows:

> SEC. 4. When Appeal Taken. — An Appeal must be filed within six (6) months after receipt of the decision appealed from.

Here, the PHIC received ND Nos. 0-001-717(08) and 10-002-725(09) on March 29, 2010 and ND No. 10-003-725(09) on April 14, 2010. However, the Petition for Review was only filed before the COA Proper on July 13, 2012. Taking into consideration the tolling of the period to appeal when PHIC filed its Memorandum of Appeal with the COA Director until PHIC's receipt of its resolution, the Petition for Review was only filed 199 days after receiving ND Nos. 0-001-717(08) and 10-002-725(09), and 183 days after receiving ND No. 10-003-725(09).[21] Hence, PHIC's appeal was perfected beyond the six-month or the 180-day reglementary period.

It is hornbook doctrine that the right to appeal is a mere statutory right and anyone who seeks to invoke such privilege must apply with the applicable rules; otherwise, the right to appeal is forfeited.[22] In this case, the right to appeal must comply with the RRPC, which was crafted to ensure the orderly disposition of cases.[23]

To give the impression that the Petition for Review before the COA Proper was timely filed, PHIC maintains that under the Civil Code, the word "month" is understood to mean "thirty days," and that unless a specific reference is made to a month, it shall be understood to mean that the same consists of 30 days.[24] Applying this logic, PHIC proposed the following computation of the period:

March 29 – 30, 2010	=	2 days
April 1 – 30, 2010	=	30 days
May 1-30, 2010	=	30 days

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21 *Id.* at 54, COA Decision in Decision No. 2016-474, dated December 28, 2016.
22 *Agravante v. Commission on Election*, G.R. No. 264029, August 8, 2023 [Per C.J. Gesmundo, *En Banc*].
23 *Chozas v. Commission on Audit*, 864 Phil. 733, 750 (2019) [Per J. A. Reyes, Jr., *En Banc*].
24 *Rollo*, pp. 339.

June 1 – 30, 2010	=	30 days
July 1 – 30 , 2010	=	30 days
August 1 – 24, 2010	=	24 days
May 23 – 30, 2012	=	8 days
June 1 – 26, 2012	=	26 days
Total	=	180 days

On June 26, 2012, PHIC filed its Motion for Extension to file its Petition for Review before the COA Proper. On July 13, 2012, PHIC finally filed its Petition for Review.

A simple reading of the proposed computation of PHIC would reveal that it disregarded the fact that the months of March, May, and July all have 31 days. The proposed computation also conveniently gives the impression that PHIC was able to comply within the required period, filing its Motion for Extension on the alleged last day of the reglementary period.

The Court is not persuaded.

The Court has already settled in *PHIC v. COA, et al.*[25] that the six-month period provided in Rule V, Section 4 of the RRPC must be understood to mean 180 days as follows:

> What is at issue here, conversely, is the computation of the legal period for a "month." Unlike in Primetown, there is no incompatibility with respect to the definition of a month under the Civil Code and the Administrative Code. *A month is understood under both laws to be 30 days. In ascertaining the last day of the reglementary period to appeal, one month is to be treated as equivalent to 30 days, such that six months is equal to 180 days.* Thus, the period began to run on July 27, 2012 upon receipt of the ND and ended on January 23, 2013. The COA was correct, therefore, in denying the appeal on the ground that the six-month period within which to file an appeal from the ND had already lapsed when PhilHealth filed its appeal to the COA-CGS on January 24, 2013.[26] (Emphasis supplied, citation omitted)

Applying the foregoing, PHIC should have filed its appeals on the following dates: for ND Nos. 0-001-717(08) and 10-002-725(09) on June 24,

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[25] 839 Phil. 573 (2018) [Per J. Jardeleza, *En Banc*].
[26] *Id.* at 583.

2012, and for ND No. 10-003-725(09) on July 10, 2012. Only the appeal with respect to ND No. 10-004-725(09) was timely filed.

As to the Motion for Extension to File Petition for Review filed by PHIC before the COA, the PHIC merely assumed that it was granted when it computed the period to file its Petition when the records show that COA did not act on the Motion for Extension. The mere filing of a motion for extension does not automatically entitle the movant to the additional time prayed for. Jurisprudence is clear on this regard as follows:

> [A] party may be allowed to move for an extension of time to file a required pleading. However, the mere filing of the motion does not automatically entitle the litigant to the fresh or extended period requested. Whether the motion is meritorious and should be granted shall be discretionary upon the court or tribunal from which relief is sought.[27]

The COA, therefore, did not err much less commit grave abuse of discretion in dismissing PHIC's appeal with respect to ND Nos. 0-001-717(08), 10-002-725(09), and 10-003-725(09) on account of the foregoing procedural lapse.

Even if the Court was to relax the rules and entertain the appeal, the Court finds that PHIC's case would still fail on the merits. The COA correctly disallowed the disbursements on the ground that its grant was without legal basis.

PHIC's authority to fix the compensation of its employees is regulated by law

The notices of disallowance subject of this case are all bound by one common issue: the authority of PHIC to grant the disallowed benefits.

Article IX-B, Section 8 of the 1987 Constitution states that "[n]o elective or appointive public officer or employee shall receive additional, double, or indirect compensation, unless specifically authorized by law[.]" Consequently, any benefit granted to government officials and employees, in addition to their standardized compensation and benefits under the law, must have statutory basis.

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[27] *Philippine Health Insurance Corporation v. Commission on Audit*, G.R. No. 222129, February 2, 2021 [Per J. Inting, *En Banc*].

The statutory authority for the grant of additional medical benefits to government employees is provided for under Presidential Decree No. 1597, which further rationalized the system of compensation and position classification in the national government. The Court has recently ruled that Presidential Decree No. 1597 continues to be in force until today.[28] Specifically, Section 5 of Presidential Decree No. 1597 states as follows:

> SEC. 5. Allowances, Honoraria and Other Fringe Benefits. *Allowances, honoraria and other fringe benefits which may be granted to government employees*, whether payable by their respective offices or by other agencies of government, *shall be subject to the approval of the President upon recommendation of the Commissioner of the Budget.* (Emphasis supplied)

As held by the Court in *Philippine Mining Development Corporation v. COA*,[29] Presidential Decree No. 1597 does not simply allow unbridled freedom to implement policies pertaining to compensation and grant allowances and benefits to employees. Instead, the said statute subjects covered individuals and institutions to executive imprimatur. Particularly, Section 5 of Presidential Decree No. 1597 requires approval of the President prior to granting allowances, honoraria, and other benefits.[30]

Admittedly, the Court has taken judicial notice of government entities that have been *expressly exempted from salary standardization laws pursuant to the statute that created them or other legislation providing for their exemption.* Such entities include the Philippine Postal Corporation, the Trade and Investment Development Corporation of the Philippines, the Land Bank of the Philippines, the Social Security System, the Small Business and Finance Corporation, the Government Service Insurance System, the Development Bank of the Philippines, the Home Guaranty Corporation, and the Philippine Deposit Insurance Corporation.[31]

In this case, PHIC primarily relies on the fiscal authority or independence allegedly granted to it by Republic Act No. 7875.[32] Article IV, Section 16(n) of the R.A. No. 7875 provides as follows:

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28 *Philippine Mining Development Corporation v. Commission on Audit*, G.R. No. 245273, July 27, 2021 [J. J. Lopez, *En Banc*].

29 *Id.*

30 *Id.*

31 *Id.*

32 Entitled: "AN ACT INSTITUTING A NATIONAL HEALTH INSURANCE PROGRAM FOR ALL FILIPINOS AND ESTABLISHING THE PHILIPPINE HEALTH INSURANCE CORPORATION FOR THE PURPOSE," approved on February 14, 1995.

> SEC. 16. Powers and Functions. — The Corporation shall have the following powers and functions:
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> . . . .
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> n) to organize its office, fix the compensation of and appoint personnel as may be deemed necessary and upon the recommendation of the president of the Corporation;

Nothing in the above-quoted provision expressly exempts PHIC from existing laws, rules, and regulations on compensation, position classification, and qualification standards. Consequently, PHIC is governed by P.D. 1597, which requires executive approval before additional benefits may be granted to its officers and employees.

PHIC further argues that its authority provided by Section 16(n) of Republic Act No. 7875 was confirmed by President Arroyo in two separate documents: the letter of Secretary Duque dated September 18, 2006, requesting for the early approval of the PHIC Rationalization Plan (which President Arroyo approved in her marginal note) and the letter of Secretary Duque to President Arroyo dated March 7, 2008, seeking the confirmation of the approval of the PHIC Rationalization Plan.

The PHIC argues that the confirmation given by President Arroyo in these two communications is tantamount to presidential approval of the disbursed benefits and recognition of PHIC's fiscal authority and independence.

The argument is untenable.

The Court has long settled in *PHIC v. COA*[33] that Section 16(n) of Republic Act No. 7875 does not give PHIC the unbridled authority to fix the compensation of its employees and to unilaterally provide allowances as follows:

> As previously mentioned, the PHIC Board members and officers approved the issuance of the LMRG in sheer and utter absence of the requisite law or DBM authority, the basis thereof being merely PHIC's alleged "fiscal autonomy" under Section 16 (n) of RA 7875. *But again, its authority thereunder to fix its personnel's compensation is not, and has never been, absolute.* As previously discussed, in order to uphold the validity of a grant of an allowance, it must not merely rest on an agency's "fiscal autonomy" alone, but must expressly be part of the enumeration

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[33] 801 Phil. 427 (2016) [J. Peralta, *En Banc*].

> under Section 12 of the SSL, or expressly authorized by law or DBM issuance. This directive was definitively established by the Court as early as 1999 in National Tobacco Administration v. Commission on Audit, which was even subsequently affirmed in Philippine International Trading Corporation v. Commission on Audit in 2003. Thus, at the time of the passage of PHIC Board Resolution No. 717, s. 2004 on July 22, 2004 by virtue of which the PHIC Board resolved to approve the LMRG's issuance, the PHIC Board members and officers had an entire five (5)-year period to be acquainted with the proper rules insofar as the issuance of certain allowances is concerned. They cannot, therefore, be allowed to feign ignorance to such rulings for they are, in fact, duty-bound to know and understand the relevant rules they are tasked to implement. Thus, even if We assume the absence of bad faith, the fact that said officials recklessly granted the LMRG not only without authority of law, but even contrary thereto, is tantamount to gross negligence amounting to bad faith. Good faith dictates that before they approved and released said allowance, they should have initially determined the existence of the particular rule of law authorizing them to issue the same.[34] (Emphasis supplied).

This was reiterated by the Court in the 2018 case of *Philhealth v. COA*:[35]

> *Secondly, PhilHealth, cannot take refuge behind its assertion that it may grant additional benefits on the strength of its fiscal autonomy under Section 16 (n) of [R.A.] No. 7875, as tempered by the limitations provided in Section 26 (b).* We have already ruled on this same argument in PhilHealth v. COA, where it was posited that it is the intent of the legislature to limit the determination and approval of allowances to the PhilHealth BOD alone, subject only to the 12% to 13% limitation. *We have declared in that case that PhilHealth does not have unbridled discretion to issue any and all kinds of allowances, limited only by the provisions of its charter:*
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> As clearly expressed in PCSO v. COA, even if it is assumed that there is an explicit provision exempting a GOCC from the rules of the then Office of Compensation and Position Classification (OCPC) under the DBM, the power of its Board to fix the salaries and determine the reasonable allowances, bonuses and other incentives was still subject to the standards laid down by applicable laws: P.D. No. 985, its 1978 amendment, P.D. No. 1597, the SSL, and at present, R.A. 10149. *To sustain petitioners' claim that it is [] PHIC, and PHIC alone, that will ensure that its compensation system conforms with applicable law will result in an invalid delegation of legislative power, granting [] PHIC unlimited authority to unilaterally fix its compensation structure. Certainly, such effect could not have been the intent of the legislature.*[36] (Emphasis supplied, citations omitted)

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34 *Id.* at 470–471.

35 839 Phil. 573 (2018) [Per J. Jardeleza, *En Banc*].

36 *Id.* at 589–590.

Simply put, the Court has consistently ruled that the fiscal autonomy provision under PHIC's charter is not without limitations and should be read in conjunction with applicable laws and regulations.

PHIC also cannot seek refuge behind its argument that the disbursement of allowances was coupled with the approval of the President, as evidenced by the letters of Secretary Duque dated September 18, 2006 and March 7, 2008.

While the letters were indeed signed by President Arroyo, the letters referred to the approval of the PHIC's Rationalization Plan, not the disbursement of the disallowed benefits and allowances. A plain reading of the letters reveal that Secretary Duque was asking for approval of the Rationalization Plan in order to address the human resource needs of PHIC. Specifically, Secretary Duque was seeking approval of the Rationalization Plan in order to open permanent positions in the PHIC and to hire existing job order contractors to these positions.[37] Nowhere in these letters was it mentioned that the PHIC was given the unbridled power to grant benefits and allowances to its employees. Absent any formal document or memorandum authorizing PHIC to grant these allowances to its employees, all these disbursements cannot be said to have been legally disbursed as follows:

> Neither can PhilHealth find solace in the alleged approval or confirmation by former President Gloria Macapagal-Arroyo of PhilHealth's fiscal autonomy through two executive communications relative to its request to exercise fiscal authority in line with the PhilHealth Rationalization Plan. We observe that the alleged presidential approval was merely on the marginal note of the said communications and was never reduced in any formal memorandum. So, too, the Court has previously held in BCDA that the presidential approval of a new compensation and benefit scheme which included the grant of allowances found to be unauthorized by law shall not estop the State from correcting the erroneous application of a statute.[38] (Citation omitted)

Aside from the lack of executive approval, it must be noted that PHIC failed to comply with the regulations governing the grant of benefits under the CNA. While the Court acknowledges that government-owned and controlled-corporations may enter into a CNA with its employees, the grant of benefits under the agreement is regulated by Administrative Order No. 135, Series of

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37 *Rollo*, pp. 320–323.

38 *Philippine Health Insurance Corporation v. Commission on Audit, et al.*, 839 Phil. 573, 591 (2018) [Per J. Jardeleza, *En Banc*].

2015[39] and Department of Budget and Management (**DBM**) Circular No. 2006-1.[40]

Section 4 of Administrative Order No. 135 provides:

> SEC. 4. Savings as Source. – The CNA Incentive shall be sourced only from the savings generated during the life of the CNA.

As for DBM Circular No. 2006-1, the relevant provisions state:

> 5.6. The amount/rate of the individual CNA Incentive:
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> 5.6.1. *Shall not be pre-determined in the CNAs* or in the supplements thereto since it is dependent on savings generated from cost-cutting measures and systems improvement, and also from improvement of productivity and income in GOCCs and GFIs; (emphasis in the original)
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> . . . .
>
> 5.6.3 *May vary every year during the term of the CNA, at rates depending on the savings generated* after the signing and ratification of the CNA; and
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> . . . .
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> 5.7 The CNA Incentive for the year shall be paid as a one-time benefit after the end of the year, provided that the planned programs/activities/projects have been implemented and completed in accordance with the performance targets for the year. (Emphasis supplied)

A review of the CNA will show that PHIC failed to comply with the cited issuances. First, the CNA made no reference to the source of funding of the benefits and that savings were generated by PHIC that would allow the application of Administrative Order No. 135.

Second, the CNA provided for a fixed amount with a yearly increase contrary to the requirement of DBM Circular No. 2006-1 that the benefit shall not be predetermined as the same is based on the generated savings of PHIC for the fiscal year as follows:

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[39] Entitled: "AUTHORIZING THE GRANT OF COLLECTIVE NEGOTIATION AGREEMENT (CNA) INCENTIVE TO EMPLOYEES IN GOVERNMENT AGENCIES"

[40] Department of Budget and Management Circular No. 2006-1: GRANT OF COLLECTIVE NEGOTIATION AGREEMENT (CNA) INCENTIVE

2. To implement the existing employee benefits with the following adjustment net of tax, to wit:

    2.1 Beginning 2007 and thereafter, a yearly increase of [PHP] 500.00 per month as Rice Assistance[,]

    2.2 Beginning 2007 and thereafter, a yearly increase of [PHP] 500.00 per month as Shuttle Service[,]

    2.3 Beginning 2007 and thereafter, a yearly increase of [PHP] 10,000.00 in the Christmas Package[,]

    2.4 Beginning 2007 and thereafter, a yearly increase of [PHP] 10,000.00 in the Educational Assistance Package[,] and

    2.5 Payment in 2007 and thereafter, a yearly increase of [PHP] 10,000.00 in the Performance Incentive Bonus.[41]

As the manager of the State's National Health Insurance Fund, PHIC must ensure the availability of funds and must carry out its fiduciary responsibility through effective stewardship, proper management, and maintenance of reserves.[42] Hence, it is only proper if not imperative, for PHIC to be more circumspect in utilizing the funds for the salaries and allowances of its employees. After all, the mandate of PHIC is to ensure the availability of funds, which it holds in trust to be devoted to providing universal and affordable health care to all Filipinos.

All told, the COA did not commit grave abuse of discretion when it dismissed the Petition for Review.

ACCORDINGLY, the Petition is **DISMISSED**. The Commission on Audit's Decision No. 2016-474 dated December 28, 2016 is **AFFIRMED**.

SO ORDERED.

MARIA FILOMENA D. SINGH
Associate Justice

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41 *Rollo*, p. 274.
42 Republic Act No. 7875, sec. 2(i).

WE CONCUR:

ALEXANDER G. GESMUNDO
Chief Justice

MARVIC M.V.F. LEONEN
Senior Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

RAMON PAUL L. HERNANDO
Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

RODIL V. ZALAMEDA
Associate Justice

MARIO V. LOPEZ
Associate Justice

SAMUEL H. GAERLAN
Associate Justice

RICARDO R. ROSARIO
Associate Justice

JHOSEP Y. LOPEZ
Associate Justice

JAPAR B. DIMAAMPAO
Associate Justice

JOSE MIDAS P. MARQUEZ
Associate Justice

ANTONIO T. KHO, JR.
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13, of the Constitution, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court.

ALEXANDER G. GESMUNDO
Chief Justice