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RECURRING
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IN THE
PHILIPPINE
PANDEMIC RESPONSE



RECURRING DISPARITIES AND ISSUES IN THE PHILIPPINE PANDEMIC RESPONSE

By now everyone should have realized that facing this pandemic requires a whole-of-society approach. Every stage - from test, trace, treat and vaccination - should be aligned and coordinated among each stakeholder so that everyone can play its unique roles and help each other's efforts.

Another round of lockdown, or 'enhanced community quarantine' (ECQ), was recently implemented in the National Capital Region (NCR) and other major Philippine cities. This has been the usual government's means to slow down the transmission of the virus ever since the pandemic has started, but now in the presence of a more virulent Delta variant. Quarantine is a preemptive measure to prevent the healthcare system from being overwhelmed, but then again, our healthcare frontliners never stopped working and have been continuously responding for almost two years.

The on-and-off cycle of imposition of these containment measures is putting the country's economy on massive setbacks rather than recovery. As a repercussion, the national government's outstanding debt by the end of 2022 is expected to reach a record high of Php 13.42 trillion.

Given the enormous investments allocated by the government and the private sector, the repeated disparities since the start of the pandemic response on testing, contact tracing, treatment, and in the vaccination campaign, remain inadequate and are noticeably slower as compared with other neighboring countries. Now, the situation has been exacerbated with the threat of the emerging variants.

Unfortunately, there were also recent issues that reverted the attention of the public, such as those that were flagged by the Commission on Audit on certain deficiencies in the management of the pandemic response funds. Some of these findings have been recurring for several years.

* THE VIEWS AND OPINIONS EXPRESSED IN THIS PAPER ARE THOSE OF THE AUTHOR AND DO NOT NECESSARILY REFLECT THOSE OF THE INSTITUTE.

REVISITING THE PHILIPPINE PANDEMIC RESPONSE

CURRENT THREAT OF THE DELTA VARIANT

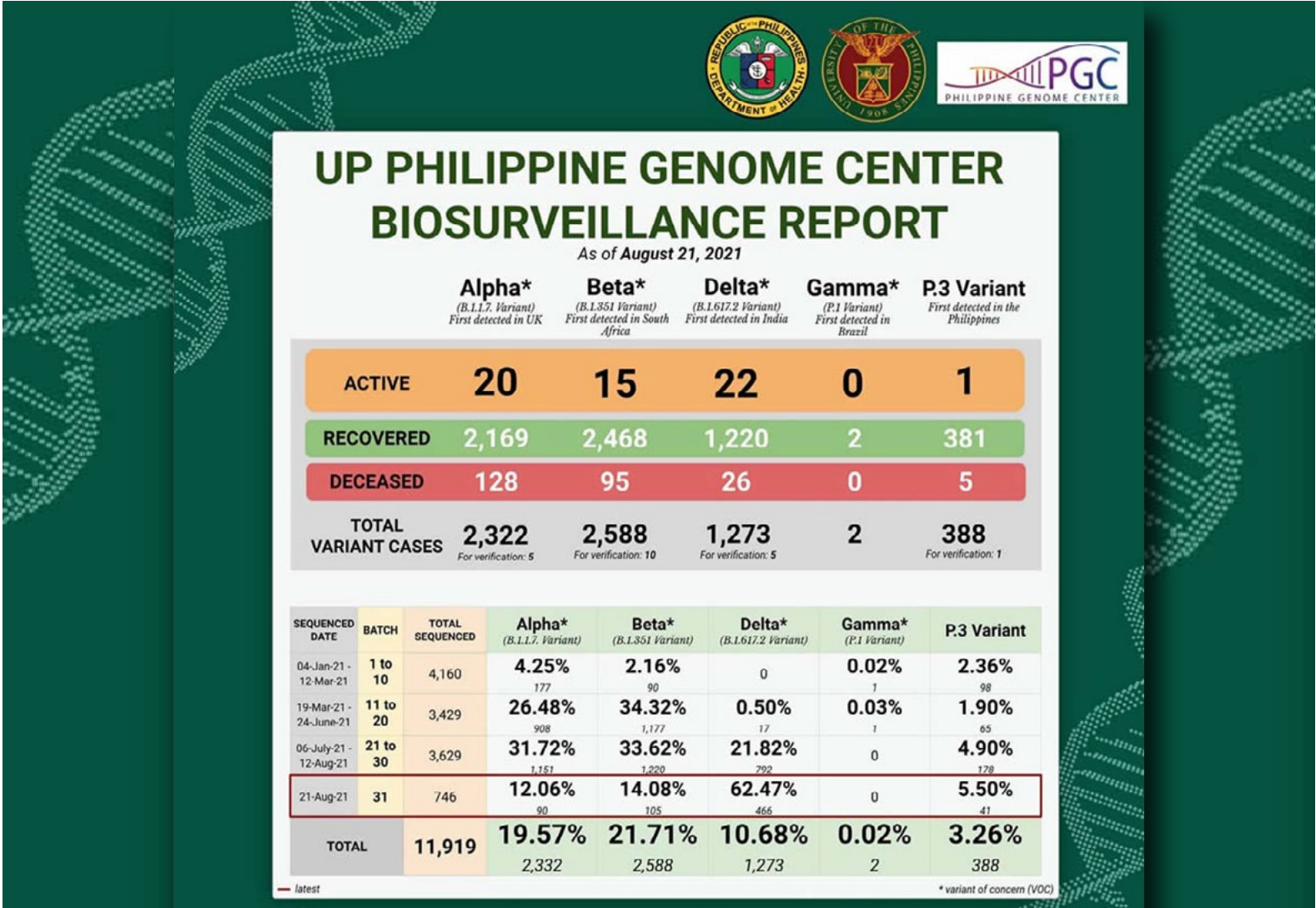
The NCR and selected areas in the country were once again subjected to another round of ECQ last August 6 to 20, 2021. This containment measure has been on-and-off since the pandemic began last year, forcing another damaging wave of disruption to the economy.

While the national government’s outstanding debt is expected to further climb to a record high of P13.42 trillion by the end of 2022, the Government still chose to declare the strictest community restriction as a necessary preemptive measure to slow down the transmission of the more virulent Delta variant, and prevent the healthcare system from being overwhelmed over again.

The Delta variant, which was first identified in India in December 2020, is highly transmissible as compared to other identified variants. The first case was first reported in the Philippines as early as the third week of May, when a Filipino ship crew member who had travel history in India died from the infection. However, it was only in July when health authorities admitted that there was local transmission of cases due to the Delta variant. By the 3rd week of August, the DOH confirmed that there was already a case of community transmission, and the identified epicenter was in the NCR and its adjacent region of CALABARZON (Region IV-A).

Based on the Biosurveillance Report by the Philippine Genome Center (PGC) released on August 21, 2021, an additional 466 cases of Delta variant have been detected, bringing the total number to 1,273. Out of the 746 samples that were sequenced, 62.4% had the Delta variant, followed by Beta (14%), Alpha (12%), P.3 (5.5%) and the rest were other variants of concern (Figure 1).

FIGURE 1 . UP PHILIPPINE GENOME CENTER BIOSURVEILLANCE REPORT



SOURCE: DEPARTMENT OF FINANCE

However, the reported results might not be reflecting the present variant situation of the Philippines since the current capacity of the PGC is only limited at 750 samples per week to detect the different variants. Based on the recommendations of the World Health Organization, the ideal method to get a clear picture of the current scenario was to conduct genome sequencing to around 5% of the country's total COVID-19 cases. However, the PGC has only been able to sequence 9,351 samples or a very low 0.86% of around 1 million cases from January to July of this year. Hence, there is an urgent need to increase the capacity of the PGC, including other molecular laboratories, to detect different variants.

DEMAND FOR ADDITIONAL TESTING CAPACITY

In the past week, the country was only averaging 56,000 tests per day. Though the Government has frequently announced that it will intensify its testing capacity, it continues to maintain a risk-based approach due to limited resources. Since the beginning of the pandemic, the DOH is against 'mass testing' because it would just lead to 'indiscriminate testing.' Their concept of 'mass testing' is limited to the conduct of tests on individuals who have been exposed to a person infected with Covid-19.

When it comes to the confirmation of COVID-19 cases, there is no doubt that the real-time reverse transcription polymerase chain reaction (RT-PCR) testing remains to be the "gold standard". Early this year, due to the sudden upsurge of cases that resulted to the imposition of ECQ, the Government has announced that it will use the antigen tests to boost the testing capacity in areas that were identified with high prevalence of infections. Antigen tests were even procured using public funds and were deployed to areas where ECQ was reimposed at that time.

According to health experts, antigen testing may not be as accurate as RT-PCR when it comes to sensitivity and specificity. However, it can be reliable when used on a patient during the most infectious period, or when viral loads are at the highest.

At present, only those submitted by DOH accredited molecular laboratories, currently composed of the 210 RT-PCR and 68 GeneXpert laboratories, are included in the official COVID-19 cases, while results from antigen tests are not included.

Despite having one the longest and strictest lockdowns in the world, the number of COVID-19 cases in the country have continued to rise. As of August 23, 2021, the Department of Health recorded 18,332 COVID-19 new cases which is the highest recorded in a day since the pandemic began. Apparently, this might have been more if results from antigen tests have been considered and reconciled.

CONTACT TRACING IS STILL THE WEAKEST LINK

According to many health experts, the government will not be able to properly test, treat, and isolate if it falls short on contact tracing. The target contact tracing efficiency ratio set by the government was 1:15, which means that each contact tracer should find 15 close contacts of an infected individual within 24 to 48 hours.

Back in January 2021, the reported number of contact tracers already reached 255,854 nationwide. In July, the Department of Interior and Local Government (DILG) requested for an increase in its budget for the hiring of additional contact tracers. But, due to budgetary constraints, the requested number of additional contact tracers was even reduced from 50,000 down to 15,000, the lack of attention and funding resulted in the reduction of contact tracers in this area. Indeed, if contact tracing capability is weak, the rest of the elements that follow will also be weak.

In November 2020, the Interagency Task Force (IATF) on the Management of Emerging Infectious Diseases issued a resolution designating StaySafe.Ph as the government's digital contact tracing application "of choice" and requiring its use across all government agencies and LGUs.

Last August 25, Health Secretary Francisco Duque III declared in the Senate Blue Ribbon Committee hearing that the said application made "almost no impact" on the country's contact tracing efforts. Nevertheless, in a separate interview, DILG Undersecretary Epimaco Densing commented that the application, is in fact, continuously expanding, given the increased number of registered users and how it was also used to scan individuals going to establishments for about 47 million times.

This reflects a lack of coordination among our government officials in the response against COVID-19. With this, it comes as no surprise that the Philippines continues to suffer from the health crisis for the longest time.

SLOW PACE OF VACCINATION

As of August 25, 2021, after almost six months since the vaccination campaign started, the Philippines has administered a total of 36,759,363 COVID-19 vaccine doses. In this number, 18,697,647 have received their first dose (17.3%) and while 18,061,716 individuals are fully vaccinated (16.7%). With four months remaining before the end of 2021, doubts are raised on the ability to reach the initial target of 70 million vaccinated individuals to attain herd immunity. The DOH has extended this prediction by February next year. Based on the Second Quarter Social Weather Stations (SWS) Survey that was conducted from June 23-26, 2021, 50% of the respondents said that the pace of vaccination is slow (35% somewhat slow,

15% too slow), while 45% said the pace is alright. The percentage of those who consider the vaccination pace to be slow is highest in Metro Manila (57%), followed by Balance Luzon (55%), the Visayas (51%), and Mindanao (33%). (Figure 2)

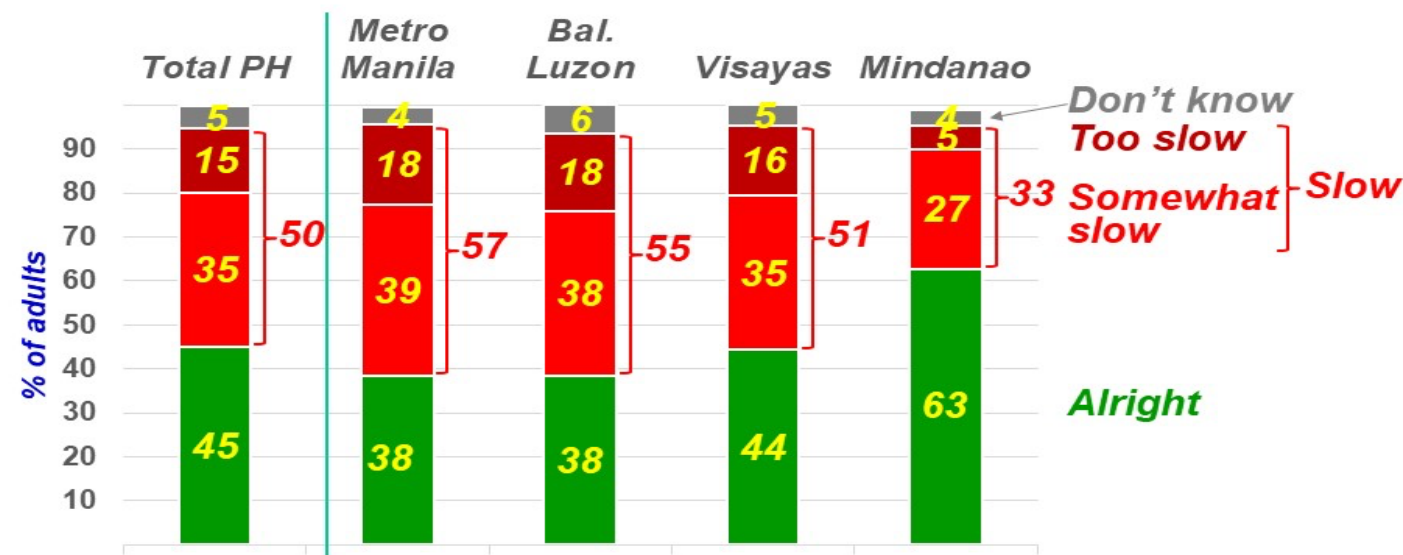
In terms of vaccine supplies, as of August 21, 2021, the country has received a total of 48,522,890 vaccines. Majority of which came from Sinovac (26,500,000 doses) followed by AstraZeneca (8,432,240), Pfizer (4,558,740), Moderna (4,296,060), Janssen (3,240,850), Sinopharm (1,100,000) and Gamaleya (365,000).

Given the total vaccines received, 25.5 million doses were procured through a bilateral agreement with Sinovac's CoronaVac. And as recently announced, the Government has signed another purchase order of an additional 10 million doses from the same vaccine manufacturer to ensure a steady vaccine supply.

A representative from the local sponsor of Sinovac vaccines, IP Biotech, recently mentioned in a virtual forum that their brand really costs higher than its American-made counterparts, Pfizer and Moderna, but said that this can be offset by easier storage and delivery requirements because it does not require extremely low temperatures for storage.

FIGURE 2 . OPINION ON THE CURRENT PACE OF VACCINATION IN THE PHILIPPINES, JUNE 2021

**OPINION ON THE CURRENT PACE OF VACCINATION
IN THE PHILIPPINES: BY AREA, JUN 2021**



Note: Blank spaces are non-responses. Figures are correctly rounded.

Q37: Paano po ninyo ilalarawan ang kasalukuyang takbo ng pagbabakuna sa mga sumusunod na lugar? Masasabi po ba ninyo na ang takbo ng pagbabakuna (SA PILIPINAS) ay TAMA LANG ANG BILIS, MEDYO MABAGAL, o MASYADONG MABAGAL?

RECURRING ISSUES IN THE HEALTH SYSTEM MANAGEMENT

In 2020, the proposed DOH budget has a total appropriation of approximately PHP 205.6 billion, the highest on record. Since the start of the Administration in 2016, the total budget of the DOH have gradually increased. Last year, due to the pandemic, it was even increased from PHP 114.8 billion in 2019 (Table 1), a significant jump by about 80% from the previous year.

Based on the Commission on Audit's Consolidated Annual Audit Report of the DOH for fiscal year 2020, there were deficiencies noticed on the budget utilization, specifically those that were intended for the COVID-19 response.

The consolidated audit report covers the audit of the accounts and operations, covered the DOH Central Office and including its other offices: 16 Centers for Health and Development (CHDs or Regional Offices), 12 Treatment and Rehabilitation Centers (TRCs), 65 hospitals, 1 laboratory facility and 2 bureaus or a total of 97 out of 103 DOH

Offices. Basically, the audit was conducted annually, as mandated by the law, to (a) verify the level of assurance that may be placed on management’s assertions on the financial statements; (b) recommend the agency’s improvement opportunities; (c) determine the propriety of transactions as well as the extent of compliance with pertinent laws, rules and regulations, and (d) determine the extent of implementation of the prior year’s audit recommendations.

Table 2 presents the partial summary of the significant observations noted by the COA.

Looking back at the previous COA reports from fiscal year 2016 until 2020 (Table 3), it can be observed that one of the frequent findings of the state auditors was the nearly expired or expired drugs, medicines and other types of inventories.

In 2016, PhP 5.48 million worth of expired medicines and PhP 3.952 million worth of nearly expired drugs and medical supplies were found in three DOH agencies. PhP 16.434 million of overstocked and unutilized worth of medical supplies were also found, primarily due to the lack of proper procurement, logistical coordination, monitoring, or distribution.

During the conduct of physical inventory inspection in 2017, it was found that two agencies have expired medical supplies amounting to PhP 232,020 and PhP 60,782, respectively. An additional PhP 6,738,740 remained on hand with an expiry date of six months or less and all of these are attributed to the same reason mentioned above.

In 2018, a total of PhP 30.353 million of nearly expired or expired drugs and medicines were found in various CHDs/ hospitals/ TRCs resulting in wastage of government funds. Based on the auditors’ findings, these were due to the combination of a procurement conducted in the DOH Central Office and distributed to various

TABLE 1 . TOTAL APPROPRIATIONS OF THE DEPARTMENT OF HEALTH, FY 2016 TO 2020

APPROPRIATIONS	Amounts (In Thousand Pesos)				
	2016	2017	2018	2019	2020
Regular Appropriations	71,140,085	93,073,354	106,082,096	97,653,633	100,298,232
Automatic Appropriation	2,141,479	3,449,873	3,840,234	4,409,868	2,481,032
Special Purpose Funds	5,355,284	3,301,814	2,876,578	5,168,519	72,392,069
Continuing Appropriations (CONAP)	11,047,703	11,283,439	-	6,852,813	15,371,631
CONAP-Special Purpose	69,329	-	-	744,851	15,072,509
CONAP-Automatic Appropriations	-	-	-	-	5,312
TOTAL	89,753,880	111,108,480	112,798,908	114,829,684	205,620,786

SOURCE: COMMISSION ON AUDIT ANNUAL REPORTS

TABLE 2 . PARTIAL SUMMARY OF THE SIGNIFICANT OBSERVATIONS OF DEPARTMENT OF HEALTH, FY 2020

Summary of Significant Observations	Amount (PhP)
Various deficiencies involving public funds intended for national efforts to combat COVID-19 crisis	67,323,186,570.57
Procured equipment under the Health Facilities Enhancement Program (HFEP) that were found undelivered, unutilized, and/or without calibration and preventive maintenance	1,225,260,566.29
HFEP Infrastructure projects that were either idle/unutilized or with substantial delay in the implementation, exposing these properties to the risks of deterioration, loss, lapse of warranty period and wastage of government funds	2,832,390,057.53
Deficiencies in the distribution of centrally-procured assets to various operating units	65,356,720.70
Drugs, medicines and other types of inventories that were found to be nearly expired and/or have expired due to deficient procurement planning, poor distribution and monitoring systems and identified weakness in internal controls.	95,675,058.98
Unobligated allotments aimed at strengthening the DOH capacity to ensure access to basic public health services.	24,641,119,764.42

SOURCE: COA CONSOLIDATED ANNUAL AUDIT REPORT OF THE DOH FY 2020

recipient agencies less than a year before the expiration (PhP 12.654 million), and a procurement initiated by CHDs/Hospitals (PhP17.70 million).

In 2019, the state auditors found that poor planning, inefficient and uncoordinated transfer/ distribution and lack of monitoring and proper storage have hindered the maximum delivery of the highest quality of medical/healthcare services to the general public, resulting to a wastage of PhP 2.2 billion worth of government funds.

Then in 2020, a total value of PhP 95,675,058.98 of drugs, medicines and other types of inventories were found to be nearly expired and have expired due to deficient procurement planning, poor distribution and monitoring systems, and identified weakness in internal control. These recurring deficiencies of the DOH have resulted to indiscriminate wastage of government funds and resources. These have also

impeded the attainment of the Agency’s mission of leading the country in the development of a productive, resilient, equitable and people-centered health system. The current leadership of the DOH should address these and make the necessary measures that will prevent these from occurring in the future. The leadership should also be held accountable on what happened during the time of their watch.

In this time of pandemic, the DOH, being the lead agency in the country’s COVID-19 response, should observe a sense of urgency, transparency and accountability in all its actions, especially in the utilization of limited public funds and resources. These type of inefficiencies in the management of public health funds should not be tolerated. One can just imagine the number of people who could have benefitted from these resources, but suffered or even died just because of the negligence on the part of those who are in-charge. As emphasized by former COA chief Heidi Mendoza,

“repeated noncompliance to procurement laws and recurring accounting deficiencies by government agencies are open opportunities for corruption.”

The extraordinary amount of public funds being mobilized to respond to the pandemic must be checked since it can lead to discrimination and political patronage. The firmness of the COA must be admired in the execution of its mandate. Moreover, civil society groups must remain vigilant to ensure that the public funds are used appropriately for the benefit of all Filipinos.

MOVING FORWARD

Revisiting the Philippines’ pandemic response in the past eighteen months, or so, revealed that there are still huge gaps that should be addressed by the Government. Resorting into lockdowns would not adequately address these gaps, especially without looking into the root cause why the public is now becoming complacent despite the threat of the virus.

By now, everyone should have realized that facing this pandemic is not a simple task and it requires a whole-of-society approach. Every stage – from test (that also involves appropriate genome sequencing), trace, treat and vaccination – should be aligned and coordinated among each stakeholder so that everyone can play its unique roles and help each other’s efforts.

Lastly, as we move towards the following year, let us keep in mind that providing enough funding for the health sector is only a part of the equation. The whole gamut of deficiencies and inefficiencies can be traced back in the weak implementation and monitoring on how public funds have been spent.

TABLE 3 . COA FINDINGS/OBSERVATION ON DRUGS, MEDICINES AND OTHER TYPES OF INVENTORIES, FY 2016-2020

Observation	Amounts (In Thousand Pesos)				
	2016	2017	2018	2019	2020
Drugs, medicines and other types of inventories that were found to be nearly expired and/or have expired	9,432	7,031.54	30,353	2,200,000	95,675,058

SOURCE: COA CONSOLIDATED ANNUAL AUDIT REPORT OF THE DOH FY 2016-2020



ABOUT

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