

Title: **Kilusang Mayo Uno v. Hon. Benigno Simeon C. Aquino III, and Philippine Health Insurance Corporation (PhilHealth)**

Facts:

1. **1987 Constitution**: Mandated an integrated and comprehensive approach to health development.
2. **February 7, 1995**: Congress passed Republic Act No. 7875, establishing the National Health Insurance Program (NHIP), administered by PhilHealth.
3. **2010**: DOH launched the Aquino Health Agenda (AHA) aimed at universal health care.
4. **2011**: PhilHealth Board approved annual premium increases for 2012 to support Universal Health Care, setting various premium rates for different member categories.
5. **Deferred Increases**: Due to civil society and NGO concerns, the increases were repeatedly deferred from 2012 to 2013.
6. **September 30, 2013**: PhilHealth issued Circular Nos. 0024, 0025, and 0027, specifying the new premium rates for different programs starting in 2014.
7. **January 30, 2014**: Petitioners led by KMU filed a petition for certiorari with the Supreme Court, claiming the circulars were issued with grave abuse of discretion.
8. **March 14, 2014**: Migrante International and others filed a petition-in-intervention.

Procedural Posture:

- The petitioners filed an original petition for certiorari directly with the Supreme Court.
- Respondents filed motions primarily on procedural grounds, including the President's immunity from suit and the petitioners' alleged lack of legal standing and failure to follow proper judicial protocols.

Issues:

1. **Presidential Immunity**: Whether President Aquino could be sued in his capacity as Head of State.
2. **Legal Standing**: Whether the petitioners had sufficient legal standing to bring the case.
3. **Grave Abuse of Discretion**: Whether PhilHealth committed grave abuse of discretion in issuing the circulars.
4. **Compliance with NHIA**: Whether the new premium rates violated the principles of being reasonable, equitable, and progressive as prescribed by the NHIA.
5. **Special Considerations for OFWs**: Whether the increase in the OWP premium violated

the Migrant Workers and Overseas Filipinos Act.

6. **Validity of Actuarial Studies**: Whether the new rates were established without the required actuarial studies.

7. **Spending Allegations**: The allegations against PhilHealth's expenditure and awarding of bonuses.

Court's Decision:

1. Presidential Immunity:

- The Court reaffirmed the principle that a sitting President enjoys immunity from suit. Therefore, President Aquino was dropped as a party-respondent.

2. Legal Standing:

- The Court acknowledged that since the NHIP affects all Filipinos, the petitioners had the requisite legal standing.

3. Grave Abuse of Discretion:

- The Court ruled there was no grave abuse of discretion by PhilHealth. The circulars were issued following consultations, several deferrals, and were based on actuarial studies.

4. Compliance with NHIA:

- The Court found the premium structure to be reasonable, equitable, and progressive. The scaling of premiums according to salary brackets maintained the principle of equitable contribution.

5. Special Considerations for OFWs:

- The Court determined that premium contributions under NHIP were not fees but enforced contributions. Therefore, Section 36 of the Migrant Workers and Overseas Filipinos Act did not apply.

6. Validity of Actuarial Studies:

- PhilHealth demonstrated the presence of several actuarial studies conducted to justify the premium increase, which the petitioners failed to refute convincingly.

7. Spending Allegations:

- The Court acknowledged the allegations but did not have the jurisdiction to audit PhilHealth's expenditures. This power lies with the COA.

Doctrine:

1. **Presidential Immunity**: A sitting President is immune from legal suits.
2. **Legal Standing in Public Interest Cases**: Citizens potentially affected by public policies can have legal standing.
3. **Requirements for Grave Abuse of Discretion**: Defined as a whimsical or arbitrary exercise of judgment equivalent to lack of jurisdiction.
4. **Quasi-legislative Acts**: Administrative regulations will generally be upheld if they derive from legal authority and follow due process.
5. **Non-interference in Administrative Decisions**: The Judiciary should not encroach on the functions of administrative bodies unless there's clear abuse of authority.

Class Notes:

- **Presidential Immunity**: Article VII, Section 22, 1987 Constitution.
- **Legal Standing**: Doctrine of transcendental importance.
- **Grave abuse of discretion**: Technical legal ground defined under Rule 65 of the Rules of Court.
- **NHIP Contribution Principles**: Sections 5, 6, and 28, NHIA.
- **OFW Distinction**: Section 36, Migrant Workers and Overseas Filipinos Act and its interpretation vis-à-vis NHIA.

Historical Background:

The case arose in the context of the Philippines' efforts to achieve universal healthcare through the National Health Insurance Program. The objective was to increase financial access to healthcare despite economic challenges, including a global financial crisis affecting Overseas Filipino Workers (OFWs). The case illustrates the tension between implementing public health policies and addressing economic burdens on various social sectors.