

FIRST DIVISION

[G.R. No. 248701, July 28, 2020]

**THE PEOPLE OF THE PHILIPPINES, Plaintiff-Appellee, VS.
LIONEL ECHAVEZ BACALTOS, Accused-Appellant.**

DECISION

LAZARO-JAVIER, J.:

The Case

Appellant Lionel Echavez Bacaltos seeks to reverse and set aside the Decision^[1] dated May 17, 2019 of the Sandiganbayan in SB-18-CRM-0010 finding him guilty of violation of Section 3(e) of RA 3019, the *Anti-Graft and Corrupt Practices Act*.

Antecedents

The charge and plea

By Information dated January 12, 2018, appellant was charged before the Sandiganbayan with violation of Section 3(e) of RA 3019, viz.:

That in February 2015, or sometime prior or subsequent thereto, in the Municipality of Sibonga, Province of Cebu, Philippines and within the jurisdiction of this Honorable Court, **LIONEL ECHAVEZ BACALTOS**, a high-ranking public officer, being the Mayor of the Municipality of Sibonga, Cebu, in such capacity, committing the crime in relation to office, acting with manifest partiality, evident bad faith and/or gross inexcusable negligence, did then and there willfully, unlawfully and criminally cause undue injury to the government by receiving an honorarium from the Philippine Health Insurance Corporation (PhilHealth) in the amount of Php17,512.50, despite the fact that he was not entitled to receive it since the said honorarium was exclusively given and intended for the municipal health personnel, and accused was not a member of the municipal health personnel, thereby causing undue injury to the government in the aforesaid amount.

CONTRARY TO LAW.^[2]

On arraignment, appellant pleaded not guilty.^[3] During the pre-trial, the parties stipulated, thus:^[4]

JOINT STIPULATIONS

The PEOPLE, represented by the Office of the Special Prosecutor and **accused LIONEL ECHAVEZ BACALTOS**, represented by ATTY. JULIUS

CEASAR S. ENTISE, unto this Honorable Court, most respectfully stipulate on the following:

1. At the time material to the allegation in the Information, the accused is a public officer holding the position of the Municipal Mayor of Sibonga, Province of Cebu;
2. That whenever referred to orally or in writing by the Honorable Court and the Prosecution and/or its witnesses the accused admits that he is the same person being referred to in this case;
3. Under its program, Philhealth Regional Office VII released the fund for Per Family Payment Rate (PFPR) for the provision of primary care benefit services to the Municipal Health Office of Sibonga, Cebu for the years 2012, 2013, 2014, and 2015;
4. Under the prescribed disposition and allocation of the PFPR, twenty percent (20%) of the fund shall be exclusively utilized as honoraria of the staff of the health facility and in the improvement of their capability to be able to provide better health services:
 - (a) Ten percent (10%) for the physician;
 - (b) Five percent (5%) for the other health professional staff of the facility;
 - (c) Five percent (5%) for non-health professional/staff including volunteers;
5. In February 2015, accused Bacaltos certified the Obligation Request No. 0499-02-15-300 (Exhibit "E") for the payment of the twenty percent (20%) PhilHealth honoraria to health personnel in the amount of Php280,197.00;
6. From the 20% Philhealth Capitation Fund for Personnel Honorarium, accused Bacaltos received the amount of Php17,512.50 as *honorarium* in 2015 and signed payrolls (EXHIBIT "F") for this purpose;
7. Accused Bacaltos is not a physician, or a health or non-health professional staff, nor a volunteer of Municipal Health Office of Sibonga, Cebu from 2014-2015.

II

ISSUES

1. Whether accused Bacaltos acted with manifest partiality, evident bad

faith or gross inexcusable negligence in receiving an honorarium from the Philippine Health Insurance Corporation (PhilHealth) in the amount P17,512.50, despite the fact that he was not entitled thereto since the said honorarium was exclusively given and intended for the municipal health personnel, and accused was not a member thereof or not;

2. Whether accused Bacaltos caused undue injury to the government by receiving the honorarium;

3. Whether accused Bacaltos violated Section 3(e) of Republic Act No. 3019, as amended in receiving an honorarium from the Philippine Health Insurance Corporation (PhilHealth) in the amount of P17, 512.50, despite the fact that he was not entitled to receive it since the said honorarium was exclusively given and intended for the municipal health personnel, and accused was not a member thereof, causing undue injury to the government in the aforesaid amount;

4. Whether accused is entitled to the honorarium being the Municipal Mayor of Sibonga, Cebu.^[5] xxx xxx xxx

On the basis thereof, the prosecution and the defense manifested that they would dispense with the presentation of evidence.^[6] The Sandiganbayan then ordered the prosecution and the defense to formally offer their exhibits and file their respective comments thereon. Both parties complied and filed their respective memoranda.^[7]

The Prosecution's Version

In line with the government's Kalusugang Pangkalahatan Program, the Philippine Health Insurance Corporation (PhilHealth), by Board Resolution No. 1587, s. 2012, approved the Primary Care Benefit (PCB) Package, designed to provide Filipinos access to quality health services. The PCB Package was offered through government health facilities registered with PhilHealth. In exchange for their services, these PCB Providers were paid incentives on a Per Family Payment Rate (PFPR).^[8]

On May 28, 2012, PhilHealth Regional Vice President William O. Chavez sent a letter to appellant informing him of Section V (G) of PhilHealth Circular No. 010 s. 2012 which prescribed the allocation of the PFPR, thus:"^[9]

G. The disposition and allocation of the PFPR shall be, as follows:

1. Eighty percent (80%) of PFPR is for operational cost and shall be divided, as follows:

- a. Minimum of forty percent (40%) for drugs and medicines (PNDF) (to be dispensed at the facility) including drugs and medicines for Asthma, AGE and pneumonia; and
- b. Maximum of forty percent (40%) for reagents, medical supplies, equipments (i.e., ambulance, ambubag, stretcher, etc.), information technology (IT equipment specific for facility use needed to facilitate reporting and database build-up), capacity building for staff, infrastructure or any other use related, necessary for the delivery of required service

including referral fees for diagnostic services if not able in the facility.

2. The remaining twenty percent (20%) shall be exclusively utilized as honoraria of the staff of the PCB facility and for the improvement of their capabilities as would enable them to provide better health services:

a. Ten percent (10%) for the physician;

b. Five percent (5%) for other health professional staff of the facility; and

c. Five percent (5%) for non-health professionals/staff, including volunteers and community members of health teams (e.g., Women's Health Team, Community Health Team). (Emphases supplied)

The Municipal Health Office of Sibonga, Cebu was registered as a PCB provider and had been allocated PFPRs from 2012 to 2015.^[10]

In February 2015, appellant, then Municipal Mayor of Sibonga, Cebu, certified Obligation Request No. 0499-02-15-300^[11] for the release of the twenty percent (20%) *honoraria* for health personnel in the amount of P280,197.00. Based on Item 16 of the 2015 payroll summary, appellant received P17,512.50 of the amount as *honorarium*.^[12] The same payroll summary bore the Municipal Accountant's annotation, expressing reservation for Item 16 to the effect that payment thereof was still subject to the PhilHealth's existing rules and regulations. Appellant admitted during the pre-trial that he was not a physician, health or non-health staff, nor volunteer of the Municipal Health Office in the years 2014 and 2015. Neither did his name appear on its list of personnel.^[13]

Hence, appellant was not entitled to the *honorarium*. He clearly acted with manifest partiality, evident bad faith, or gross inexcusable negligence when he requested and accepted the *honorarium* over the Municipal Accountant's reservation. Appellant's unwarranted receipt of the *honorarium* caused undue injury to the government in the amount of P17,512.50.^[14]

The prosecution offered in evidence appellant's Service Record (Exhibit B), Municipal Health Office's List of Personnel (Exhibit C), Letter dated August 24, 2015 to Mary Jojie P. Chan (Exhibit D), Obligation Request No. 0499-02-15-300 (Exhibit E), payroll summary with attached list (Exhibit F), disbursement voucher dated March 2, 2015 (Exhibit G), PhilHealth Regional Vice President William O. Chavez' letter dated May 28, 2012 (Exhibit HH), performance commitment dated December 16, 2014 (Exhibit H), PFP's summary released to LGU Sibonga (Exhibit I), Disbursement Vouchers and Official Receipts issued by the Office of the Treasurer, Sibonga, Cebu.^[15]

The Version of the Defense

Appellant admitted having received P 17,512.50 as *honorarium* from the PhilHealth Capitation Fund but denied having acted with manifest partiality, evident bad faith, or gross inexcusable negligence in his receipt thereof. Owing to his exercise of

control and supervision over the Municipal Health Office and its personnel, he honestly believed he was entitled to the five percent (5%) *honorarium* for non-health personnel. In fact, the Commission on Audit (COA) did not even issue a Notice of Disallowance on the release of the subject *honorarium*.^[16] Lastly, the prosecution failed to adduce evidence that the PhilHealth suffered injury as a result thereof.^[17]

The defense formally offered the following exhibits: the Committee Report Re: Administrative Complaint dated April 5, 2017 of Mary Jolie P. Chan docketed as Administrative Case No. SP CBU 2015-30 by the Complaints and Investigation Committee of the Sangguniang Panlalawigan of Cebu Province (Exhibit 1), Resolution No. 1225-2017 Adopting and Approving the Committee Report dated April 5, 2017 of the Committee on Complaints and Investigation of the Sangguniang Panlalawigan of Cebu Province (Exhibit 2), and Certification dated September 3, 2018 issued by the Municipal Accountant of the Municipality of Sibonga, Cebu (Exhibit 3).^[18]

The Sandiganbayan's Ruling:

As borne by its Decision^[19] dated May 17, 2019, the Sandiganbayan Fourth Division rendered a verdict of conviction, thus:

WHEREFORE, premises considered, judgment is hereby rendered finding accused **Lionel Echavez Bacaltos GUILTY** beyond reasonable doubt of violation of Section 3(e) of R.A. No. 3019 and is hereby sentenced to suffer an indeterminate penalty of imprisonment of six (6) years and one (1) day, as minimum, to eight (8) years, as maximum, with perpetual disqualification from holding public office. Accused **Lionel Echavez Bacaltos** is also **ORDERED** to indemnify the Municipality of Sibonga, Cebu, the amount of Seventeen Thousand Five Hundred Twelve Pesos and Fifty Centavos (Php17,512.50).

SO ORDERED.^[20]

According to the Sandiganbayan, the prosecution had sufficiently established appellant's guilt for violation of Section 3(e) of RA 3019. Appellant was then Municipal Mayor of Sibonga, Cebu when he approved and received P17,512.50 as *honorarium* despite the fact that he was ineligible to receive it. The Sandiganbayan rejected appellant's defense of good faith and held that his receipt of the *honorarium* deprived other personnel of the Municipal Health Office of the benefit and caused undue injury to the government.

Appellant's Omnibus Motion for Reconsideration was denied by Resolution dated July 12, 2019.^[21]

The Present Appeal

Appellant now seeks affirmative relief from the Court and prays anew for his acquittal. In his Supplemental Brief,^[22] appellant essentially argues:

First, the Sandiganbayan had no jurisdiction over the case. He allegedly caused undue injury to the government in the amount of P17,512.50 which is within jurisdictional threshold of the Regional Trial Court (RTC) under RA 10660.^[23] Too,