

Bridging the Gap: Employing a Combination of Schemes to Cover Disability Related Costs of Children with Disabilities

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Key Findings

- **3.5% of children aged 2-17 have a moderate/severe functional difficulty**
- **8.5% of children aged 2-17 have a mild/moderate/severe functional difficulty**
- **Only 325,000 or 1 out of 5 children with disabilities have a disability ID card**
- **A child with a disability needs an expenditure that is 40% to 80% higher than other children.**
- **Poverty rates for children with disabilities are 50% higher than those of other children**
- **Children with a disability card are at disadvantage compared to other children across many fundamental rights, but the group most deprived is that of children with disabilities without the disability card**
- **Households with children with disabilities' health expenditure share on total expenditure is three times higher compared to that of other households with children; the disability card helps households who make use of it to reduce costs, but its subsidy is mostly received by the better-off**

Source: Carraro, et. al (2022). Cost of Raising Children with Disabilities in the Philippines.

EXECUTIVE SUMMARY

Studies show that the costs of providing support for children with disabilities at the stage of their lives where it is most crucial *cannot* be compared to the cost of living with permanent or unmitigated disabilities¹. For this, among many reasons, the seemingly inadequate and inequitable social protection for Filipino children with disabilities remains to be a point of concern.

Although the Philippines may have been at the forefront of the recognition of the rights of persons with disabilities- with the ratification of international conventions, enactment of laws, and implementation of various programs- measures to expand coverage and ensure equitable access are still lacking. More so in the case of children with disabilities who have overlapping vulnerabilities it is necessary to employ **needs-based** interventions that would enable them to at least reach comparable living standards of households without children with disabilities. The interventions should take into account how they would contribute to the sector's social participation and functioning.

The recently conducted study entitled "Cost of Raising Children with Disabilities in the Philippines"² offers a wealth of

¹Shahat, 2021. The Economic Costs of Childhood Disability: A Literature Review

he study was conducted by a consortium led by Oxford Policy Management and including the Nossal Institute for Global Health,

²University of Melbourne and Life Haven Center for Independent Living. It was also done so with the guidance of the Department of Social Welfare and Development and UNICEF, with funding by UNICEF and the Australian Government.

information on the extra costs households with children with disabilities face. Consequently, this opens doors for interventions specifically for children with disabilities that have been missing in the Philippine social protection system. Thus, this policy analysis paper presents policy alternatives that are drawn mainly from the key findings of the study and other related literature— 1) Maintain existing strategies for children with disabilities- with no specific disability allowance; 2) Introduce a Disability Allowance and 3) Employ a combination of schemes to cover disability related costs. Using multi-goal analysis, these alternatives were assessed against a set of policy goals such as equity, welfare, effectiveness, efficiency, and feasibility.

Based on the analysis, Policy Option 3-employing a combination of schemes to cover disability related costs is recommended. With the combination of schemes, the disability allowance would cover some of the basic disability related costs, especially increased consumption of ordinary goods and services and some of the lower-cost disability specific goods and services. On the other hand, in-kind benefits and services would reduce the variation in the remaining extra costs and allow for fewer under- or over-cash payments meant to cover them. A combination of schemes would not only address the minimum extra costs associated with having a disability, but it would also provide an opportunity for optimum participation and functioning. Having said that, recognizing both the urgency to provide immediate assistance to children with disabilities, and the administrative demands of Policy Alternative 3, covering the costs of disability could be progressively realized with the Policy Alternative 2 - introduction of a disability allowance - as the starting point.

BACKGROUND

Children with disabilities incur additional costs that people without disabilities do not. This is to say that given the same income, children with disabilities, compared to those without, have a lower standard of living (Wook, n.d). Although persons with disabilities remain as one of the priority groups of the Philippine government as indicated in the Philippine Development Plan 2017-2022, it is a different and more complex story when it comes to children with disabilities as the vulnerabilities of persons with disabilities in general are magnified in children due to lack of agency, special developmental needs, and severity of functional limitations.

According to the 2017 quick survey of the Council for the Welfare of Children, 38% or 38,362,884 million of the 100.98 million population are children. Of this, one out of seven or around 5.1 million were living with disabilities (Philhealth estimates, 2018).

Poverty and disability is a threatening combination

Research shows a strong link between poverty and disability, with each affecting and influenced by the other (Shahat, 2021). A child with disability has less access to schooling (not even special education) and lower probability of continuing to higher education which means less human capital accumulation leading to unemployment or underemployment and inevitably leading to intergenerational poverty. Childhood disability can also impoverish the household because of direct extra costs of caring for the child with disability (e.g., healthcare, wheelchair, child care) and indirect costs (e.g., job loss to care for the child or having to work part-time/flexible hours). On the other hand, poverty may increase people's risk of acquiring disability due to poor living and working conditions such as poor nutrition and

water sanitation, unsafe antenatal care.

Overlapping vulnerabilities

From the above discussion alone, it can be said that the welfare of children with disabilities are grossly affected by the overlapping vulnerabilities attached to their condition. To give further example, stigma can cause both emotional trauma to the child and parents, and at the same time become a factor of non-attendance to school and non-registration to social services.

This case is especially relevant as the World Health Organization (2011) accounts that persons with disabilities are considered one of the most vulnerable groups during disasters. This is supported by the Philippines' Disaster Risk Reduction and Management Act (2010), which includes persons with disabilities in the identified vulnerable and marginalized groups who have higher exposure to risks and poverty due to disasters. The capacity to provide assistance and respond to their needs during catastrophic situations – which may further aggravate their living conditions – in an effective and efficient manner is an essential factor to guarantee that their well-being are protected. However, in reality, challenges in mitigating impacts of disaster still persist where, according to Wester (2017), a clearly articulated framework on how exactly

persons with disabilities participate and are included in disaster response and recovery measures is lacking.

TACKLING THE COSTS OF DISABILITY

In understanding the cost of raising children with disabilities in the Philippines, Carraro categorized the two major sources of disability related costs— sources of extra costs and indirect costs. Sources of extra costs are extra expenditures required due to having a disability. They include increased spending on regular goods and services such as health, education, transportation, as well as the purchase of disability specific devices and services. Indirect costs, on the other hand, “are primarily related to missed work opportunities due to extra caring time required from parents of children with disabilities or siblings and other family members who take up these responsibilities”. This can also be called “opportunity costs”.

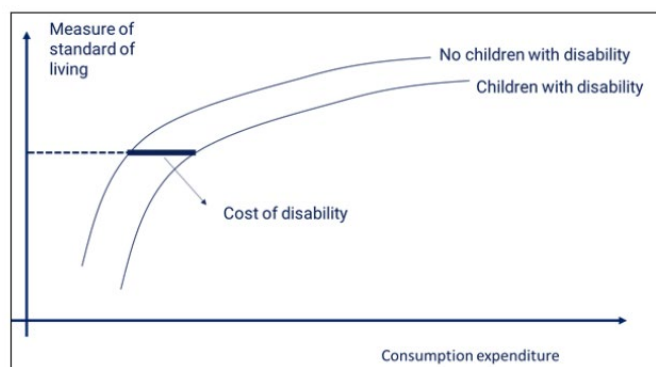
While there are different approaches to comprehending the expanse of extra costs households with children with disabilities face, the study in the Philippine context utilized the Standard of Living Approach³. In a nutshell, the SOL approach-

makes statistical inferences from differences in the standard of living between households with and without persons with disabilities who have similar levels of income or consumption. The basic idea behind this approach is that two families, one with a member with disabilities and one without, with the same level of income and very similar characteristics (e.g., where they live, household size, etc.) should have similar standards of living, and if they do not that is the result of the extra costs associated with disability



³In response to the limitations of the SOL, the study also explored multidimensional poverty indexes tailored on the rights of the child, child's level of participation in school or in the community, deprivation indexes, and the self-assessment of living conditions.

The figure below shows a graphical representation of measuring extra costs using the SOL Approach.



Source: Carraro, et. al.

Figure 1. Standard of living and the cost of disability

This implies that the gap between the standard of living and the cost of disability between households with and with no children with disability must be covered. Since estimates on extra cost were unavailable before, no social protection program had been implemented to specifically address this. Access to services and support has been largely dictated by the possession of Disability ID Cards, which are acquired by registering to the Philippine Disability Registry for Persons with Disability (PDRPWD) managed by the Department of Health. Having a Disability ID reduces the costs of living of persons with disabilities through discounts to goods and services, and privileges.

Direct costs

Based on the same study, it was determined that costs primarily include health, education, and transportation expenses. Differences on the amount of incurred expenses from total consumption expenditures based on the possession of Disability ID Cards were identified, as reflected in the table below:

	Without Disability ID Cards	With Disability ID Cards
Health	10.7%	3.7%
Education	5%	4.2%
Transportation	4.0%	4.7%

⁴UNICEF. (2020). [Situation of Children with Disabilities in the Context of COVID-19: Results of a Rapid Online Survey in the Philippines.](#)

STATEMENT OF THE PROBLEM

Providing interventions for persons with disabilities in the Philippines is not exactly an unexplored feat. However, when it comes to children with disabilities, they are usually subsumed under the initiatives for children or for persons with disability. Although this does not necessarily mean their exclusion, there runs the risk that the specific needs and the discussed layers of vulnerability of a child with disability, compared with other children or with adults with disability, are not fully addressed. Furthermore, **a mechanism to address the extra costs of children with disabilities based on needs have been missing in the current social protection system.** Existing mechanisms, on the other hand, have implementation issues that need to be resolved.

Understanding Disability

The Philippines is a signatory to the two relevant instruments on children with disabilities- the Convention on the Rights of the Child, and the Convention on the Rights of Persons with Disabilities. In the latter, disability is viewed as a result of the interaction of a person's biological impairment with the environmental and social factors that prevent the person from participation fully in society. On the other hand, The Magna Carta for Persons Disability (RA 7277) defines persons with disabilities as "those suffering from restriction of a mental, physical sensory impairment, to perform an activity in the manner or within the range considered normal for a human being." While the CRPD takes into consideration the relationship of disabilities to social participation, the Magna Carta for Persons

with Disability focuses on the person's impairments. Although the Implementing Rules and Regulations of the Republic Act 10070⁵ already adopted the CRPD's approach in understanding disability, including that of the Internal Classification of Functioning Disability, and Health (ICYF), one would still need to put these pieces of information together in order to understand the nuances of the definition of disability.

The National Council on Disability Affairs (NCDA) identifies ten types of disability⁶ which is also adopted by the Department of Health. However, other national agencies and local government units (LGUs) continue to adopt their own categories (UNICEF, 2018) which is problematic because the categorization of disability is crucial in identifying persons with disabilities, and consequently in providing them access to services. This entails that a unified categorization of disability throughout the years cannot be singly identified, which affects data collection, program planning, implementation, monitoring and evaluation. Hence, having a clear picture of the plight of disability per classification may not be easily determined due to the fragmented capture of data.

Absence of Centralized Database on Children with Disabilities

While recent interventions⁷ have been initiated to address data gaps, no centralized database solely for children with disabilities exist at the moment. Data collection is being done in silos- according to each program implementation- which makes it difficult to track the absolute number of children with disabilities, where they are, and what are their needs based

⁵Otherwise known as "An Act Establishing an Institutional Mechanism to Ensure the Implementation of Programs and Services for Persons with Disabilities".

⁶The types of disability are as follows: (1) deaf/hard of hearing, (2) intellectual disability, (3) learning disability, (4) mental disability, (5) physical disability, (6) psychosocial disability, (7) speech and language impairment, (8) visual disability, (9) cancer pursuant to RA 11215, and (10) rare diseases pursuant to RA 10747.

⁷One example is the National Action Plan on Disability Data (2023-2025) which aims to account for data coming from the community in order to address the data gaps on community based interventions.

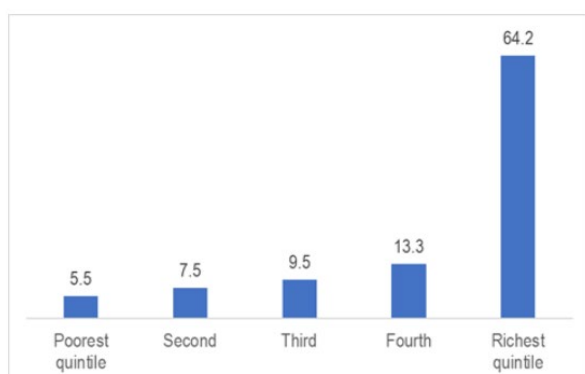
on the severity of their disabilities, and the capacity of their households to provide for those disabilities. The Philippine Registry for Persons with Disability captures data including a disaggregation based on age, which would then reflect how many are registered in the PRPWD as children with disabilities. However, it still needs to be updated to also capture relevant information from program and policy development.

The PRPWD is maintained by the Department of Health. However, while required by law, the database is incomplete due to non-registration. The DSWD Listahanan is also used to cull out statistics and information on children with disabilities. As per the most recent data, this database only accounts for 85,250 poor children (under 18) with disabilities, which equates only to 0.5% of all poor children.

Inequitable Access to Existing Services

There is a glaring disparity between the amount of support accessed by those who have a Disability ID and those who do not. Figure 3 depicts how most benefits go to the upper part of the distribution. The actual magnitude of the estimates raises questions on the appropriateness of the 'concession card' from the perspective of its redistributive impact. Better-off households are those who have more

Figure 2. Distribution of disability card subsidy by consumption quintiles



Source: Carraro, et. al

access to the concessions and spend more receiving relatively higher returns.

Moreover, given that the disability ID Card is a concession card, the cards attract applications from a range of people with reports that there are also some unqualified applications being approved. PDAO officials have no authority to question an application if the paperwork is correct. The advantage of the card is believed to be primarily for those living in urban areas and, more generally, where services exist, and people can afford them.

Responsibility Shift: Strengthened Role of the LGUs

Upon the enactment of the Local Government Code of 1991, LGUs have been mandated to implement basic social services including those for persons with disabilities. This includes the provision of auxiliary services to persons with disabilities. Although this is a devolved service, it has been implemented by the DSWD due to the lack of financial and technical capacity of the LGUs, among others. In addition, as per R.A 11070 or the Persons with Disability Affairs Office (PDAO) Law, the LGUs shall establish their respective PDAOs to center on the planning, budgeting, targeting, and implementation of services for persons with disabilities. However, the NCDA revealed that only 738 or 43% of the LGUs have the PDAO and out of this figure, 302 only have focal persons.⁸

In consideration of budgetary constraints, Local Chief Executives in the 4th-6th class LGUs have the leeway to designate a person in lieu of creating an office. Considering that the PDAO is intended to bring government services closer to PWDs, its non-existence in LGUs further adds to the inaccessibility of programs. The need to appeal to leaders' consideration of placing a primary office which bridges the

⁸Rocamora, J.A. (2021, December 8). [Over 50% of LGUs in PH has no PWD office: NCDA. PNA](#)

government to its people already implies that non-prioritization and exclusion of the sector, going against the intent of the cited laws.

The Philippine Development Plan also notes that the program had limited coverage of vulnerable sectors, especially persons with disabilities, indigenous people, and homeless street families.⁹

Inadequacy of Existing Laws and Programs

While it is true that the State's recognition is already an accomplishment on its own, its translation to actuality is not operationalized as intended. The conduct of monitoring of PWD laws is not strengthened given that establishments to comply with the accessibility law for PWD-friendly infrastructure and facilities, and the provision of appropriate discount are not practiced¹⁰. Incentive or sanction mechanisms to reinforce provisions of legal policies are not in place. Annex A provides an overview of existing policies and programs on persons with disabilities and their implementation gaps.

Lack of Human Resources

With the proposed structure of dedicated offices for persons with disabilities from the national to local levels of government, the staff complement of these offices would also have to be considered. In actual setting, human resources continue to be limited.

According to a study of DAP (2018), positions are usually not regular at the local level which affect the overall delivery of services. The fast-paced turnover of work due to the insecurity of tenure

Limited Fiscal Space for Children with Disabilities

With the COVID-19 pandemic, the fiscal space of the country is limited. Based on the most recent figures, the debt of the national government is 63.5% of the gross domestic product, surpassing the 60% threshold¹¹. It was further noted by the same report that 44.4% and 19.1% of the debt-to-GDP ratio is accounted for by domestic and foreign debt, respectively.

This constricted financial movement explains the few LGUs that adhere to the policy of the Department of Budget and Management-Department of the Interior and Local Government Joint Circular No. 2003-01¹². The said issuance mandated that 1% of LGUs' IRA have to be spent on services for senior citizens and persons with disabilities¹³. Being a circular, it does not necessarily provide a legal cover on the required compliance of LGUs given their local autonomy provided to leaders due to the Local Government Code. Moreover, the subscription of this direction is also not comprehensively monitored. This, then, implies that the array of services per locality may sometimes not be readily available due to budgetary constraints.

On top of all these, even before the onset of the pandemic, the Philippines already spends lower on social assistance, only setting a share of GDP at 0.7% compared to the 1.5% of lower middle-income countries.¹⁴ The budget tagging and allocation for the SP system has yet to be put in place to appropriately allow for the proper creation and enhancement of services for PWDs.

⁹National Economic and Development Authority. (2017). [Chapter 11: Reducing vulnerability of individuals and families.](#)

¹⁰Senate of the Philippines. (2022, January 8). [De Lima bewails lack of PWD-friendly facilities.](#)

¹¹Tomas, T. J. (2022, May 12). [Gov't debt at the end March hits 63.5% of GDP at P12.68-T.](#) *Business World.*

¹²Susmerano, E. B., & Yamada, K. (2022). Revisiting auxiliary social services for persons with disability: The Philippines case. *International Journal of Social Welfare*, 31(2), 187-202.

¹³Implementing Guidelines for Section 29 of the General Appropriations Act for FY2003 entitled ["Setting aside one percent of Government Agency Budget for Programs/Projects related to Senior Citizens and the Disabled."](#)

¹⁴Diokno-Sicat, J.D. & Mariano, A.P. (2018 December). [A public expenditure review of social protection programs in the Philippines.](#) PIDS Discussion Paper Series 2018-31, 1-42.

APPROACHES TO SOLUTIONS

In response to the identified policy issues, it must be underscored that the intended outcome is not merely to provide immediate assistance to children with disabilities and their families, but to enable them to reach their full potential for social participation and functioning through equitable and appropriate interventions.

Thus, the policy analysis paper used policy goals as criteria in coming up with the best policy solution. These policy goals are equity, welfare, effectiveness, efficiency, and feasibility, each of which is influenced by Weimer and Vining's definitions and is further contextualized around the intents

of the paper.

Equity means the policy ensures that interventions are based on needs (e.g. needs, capacity to provide needs), and that inclusion of children with disabilities is guaranteed. Welfare is the availability of support throughout their lifecycle. Effectiveness is the adequacy of benefit levels to reach standard of living. Efficiency means that the assistance is provided in a regular and timely manner, and that administrative cost is proportional to the desired outcomes. Lastly, feasibility deals with the simplicity or complexity that goes into the policy option and how this affects its doability.

POLICY ALTERNATIVES

In response to the inadequacy of current social services to specifically address the extra costs of raising children with disabilities, three policy alternatives are presented- 1) Maintain existing strategies for children with disabilities- with no specific disability allowance; 2) Introduce a Disability Allowance and 3) Employ a combination of schemes to cover disability related costs.

GOALS	CRITERIA	POLICY OPTIONS		
		1 Maintain existing strategies for children with disabilities- no specific disability allowance	2 Introduce a disability allowance	2 Employ a combination of schemes to cover disability related costs
Equity	Ensures that interventions are based on needs (e.g. needs, capacity to provide needs)	No uniform basis to providing assistance (Score = 2)	Only covers needs based on the extra costs of disability (Score = 3)	Support is based on the varied needs of the child (Score = 5)
	Inclusion of children with disabilities	Barely- current findings present that those with disability card (64.2% from the richest quintile) have more access to services; high level of inequity (Score = 1)	Universal- using available database, all identified children with disabilities are covered regardless of family's income class (Score = 5)	Universal- using available database, all identified children with disabilities are covered regardless of family's income class (Score = 5)

GOALS	CRITERIA	POLICY OPTIONS		
		1 Maintain existing strategies for children with disabilities- no specific disability allowance	2 Introduce a disability allowance	2 Employ a combination of schemes to cover disability related costs
Welfare	Availability of support throughout their lifecycle	Low- no current comprehensive mechanism to ensure this (Score =1)	Mid- flat cash transfer only; not tailored to different life stages (Score=3)	High- support is customized to the different areas and stages of life (Score=5)
Effectiveness	Adequacy of benefit levels to reach standard of living	Adequacy of benefit levels to reach standard of living Low- inadequate benefit levels based on available data (Score = 1)	Mid- covers only a portion of the extra costs (Score =3)	High -covers disability related costs, concessions, and other support services (Score = 5)
Efficiency	Assistance provided in a regular and timely manner	Time of release varies on the support; lies on each implementing party (Score = 3)	Released every two months- with the assumption that disbursement is patterned after 4Ps (Score = 4)	Time of release varies on the support; lies on each implementing party (Score = 3)
	Administrative cost is proportional to the desired outcomes	Low cost but with low level of desired outcomes as well (Score = 2)	Mid cost with acceptable achievement of desired outcomes (Score = 3)	High cost but projected impact outweighs the cost (Score = 5)
Feasibility	Simplicity or complexity of requirements to ascertain eligibility	Slightly complex- due to fragmented services and lack of database, needs validation (Score = 3)	Simple- needs only registration to Disability Registry and proof of functional difficulty (Score=5)	Complex- needs to create a universal database harmonized with existing systems, needs to update information system e.g. Family Income and Expenditure Survey (FIES) to (Score = 1)
	Simplicity or complexity of requirements for efficient disbursement	Complex- due to fragmented services; and the lack of financial infrastructure in remote areas where poor reside Needs combination of disbursement methods (Score = 2)	Most complex - due to the magnitude of population to be covered; and the lack of financial infrastructure in remote areas where poor reside Needs combination of disbursement methods (Score=2)	Complex - due to the magnitude of population to be covered (significant increase); and the lack of financial infrastructure in remote areas where poor reside; Needs combination of disbursement methods (Score = 2)
TOTAL		15	28	32

Policy Option 1. Maintain existing strategies for children with disabilities with no specific disability allowance

Given that there is no disability allowance targeted to cover extra costs of raising children with disabilities, this option means that the provision of social assistance to children with disabilities remains subsumed under different programs. Major interventions include the DSWD's Pantawid Pamilyang Pilipino Program (4Ps), Assistance to Persons with Disabilities, Assistance to Individuals in Crisis Situations ; PhilHealth's Z Benefit Package; and the Magna Carta for Persons with Disabilities.

Pantawid Pamilyang Pilipino Program (4Ps). While noting that 4ps has a good coverage of households with children, especially those with a disability card, the assistance given to households with children disabilities do not factor in the extra costs associated with functional difficulties. Thus, the amount they receive is only sufficient to meet the conditionalities of the program¹⁵, and not necessarily the demands of raising children with special needs.

Assistance for Persons with Disabilities. This program entails the provision of community-based programs and center-based services such as preventive, restorative and rehabilitative services; capability-building activities; and, residential care services. A significant chunk of the budget of this intervention goes to the augmentation support for the purchase of assistive devices, and implementation of auxiliary social services to persons with disabilities. Additionally,

upon the re-devolution of this program to the LGUs, the DSWD will be focusing on technical assistance and resource augmentation (TARA), monitoring and evaluation, policy development and other steering roles¹⁶ components of the program. The only direct service that they will be retaining for persons with disabilities upon devolution is the provision of financial support and this will be lodged under the Assistance to Individuals in Crisis Situations (AICS).

Assistance to Individuals in Crisis Situations (AICS). The AICS program serves as a social safety net or a stop-gap mechanism to support the recovery of individuals and families from unexpected crises such as illness or death of a family member, natural and man-made disasters and other emergencies. From this definition alone, which is anchored on the Social Protection Operational Framework, the program is not meant to achieve long term impacts unlike social assistance.

PhilHealth Z Benefit Package. This intervention was developed so that "children can attain their highest level of development, optimize their capacities and increase participation in education and the community". The program stipulates that in order for the child to qualify for the Z Benefits, the child should be assessed by appropriate health care providers such as psychiatrist, neurodevelopmental pediatrician or a developmental and behavioral pediatrician, licensed physiotherapists and occupational therapists, among others. While the intent of the Z Benefits for Children with Developmental Disabilities is to facilitate access of children with disabilities and

¹⁵Program conditions are the following: children 3-18 years old must enroll in school; daycare or preschool, elementary and high school children must have 85% class attendance rate in a school year; elementary and high school children must be dewormed twice a year; children 0-5 years old must be fully immunized and monthly weighed (for 0-23 months old) or bimonthly weighed (for 24-72 months old); pregnant women must avail of pre- and post-natal health check-up; child delivery should be attended by a professional healthcare provider; and, parent beneficiaries must attend the Family Development Sessions.

¹⁶These are defined as specific undertakings that do not involve direct implementation.

their families to proper assessment, it did not take into consideration the insufficient supply, specifically the trained and licensed professionals. This is especially crucial for far-flung areas (DAP, 2018). Moreover, awareness of what could be covered under PhilHealth was low with respondents—some were not sure if the advice they received from medical professionals on eligibility of costs under PhilHealth was correct or not.

Implementation of “Magna Carta For Persons With Disability.” One of the salient features of the Magna Carta for Persons with Disability is the automatic membership of all PWDs to the National Health Insurance Program and PhilHealth, with the national government covering half of the premium (provided that the half is covered by the employer). Unemployed persons with disabilities, including children with disabilities, are not entitled to the government’s share of the premium.

The above discussion provides an overview of the current interventions for children with disabilities and how these do not meet the goals set in the grid analysis. This option is the least likely to provide equitable coverage as evident in the glaring disparity among children with disabilities from different socioeconomic status (access is significantly higher in richer quintiles). Moreover, it won’t bring about adequate levels of benefits and cost-effective outcomes, making it the least effective. While it is not recommended to abandon the cited programs altogether, continuing their implementation without enhancing their key components is not ideal.

Policy Option 2. Introduce a disability allowance

Under this option, a disability allowance of P2,000.00 will be given to all children with disabilities regardless of their level of functional limitations. This can be done either through the creation of a Universal Disability Allowance Program or expansion of the Pantawid Pamilyang Pilipino Program (4Ps).

Creation of a Universal Disability Allowance Program (for children with disabilities).

This mechanism proposes the development of a Universal Disability Allowance Program under the DSWD. Using the Listahanan Database and the Disability Registry, all identified children with disabilities regardless of income class will be provided with a disability allowance of Php2,000.00. This could be carried out with the leadership of the Social Technology Bureau and Program Management Bureau.

Expansion of 4Ps. Through this approach, two major adjustments will be done. First, the eligibility criteria will be tweaked to cover poor households with children with disabilities, increasing the program’s coverage. This would mean that each child with disability from poor households will receive a disability allowance regardless of whether they meet the current conditions of the program. Second, the cash assistance received by the existing household beneficiaries of 4Ps with children with disabilities will be augmented by Php2,000.00 per child to cover the extra costs of disability.

¹⁷Recommendation in the study is Php1,000.00 - Php2,000.00 which were identified using the measure of standard of living that is independently constructed from income or consumption expenditure; a measure of the degree and type of disability; information on income or consumption expenditure; and several other socio-economic characteristics of the household, such as location, education, employment, and household composition that can affect the measure of standard of living.

¹⁸To be harmonized to avoid duplication.

¹⁹As determined by NHTS-PR or Listahanan.

In the absence of a complete and reliable database on children with disabilities, this is the most feasible option in ascertaining beneficiary eligibility as it will only require registration to the Disability Registry and updating of Listahanan. Disbursements under this option may be the most complex due to the magnitude of coverage considering its universal nature. Delivering the cash grants—in the most efficient way—to beneficiaries in the remote areas where the poorest reside poses a challenge. In terms of the ability to address varied needs, a flat cash assistance of Php 2,000.00 may be sufficient to cover the **minimum** extra costs of children with mild functional difficulties which is Php 1,281.00. However, for children with moderate to severe functional limitations, this may not be enough as the lower-level estimates of median amount of the extra costs they face is Php 2,256.00. In the short term, this policy option will address the current unequal support received by those with and without a disability card. The amount of such an allowance could cover some of the costs of accessing basic services and address some of the current barriers to meeting unmet needs, and trigger demand for services. For it to be more effective and equitable in the long run, cash assistance would need to be further tailored to the level of functional difficulty and severity from childhood to adulthood.

Policy Option 3. Employ a combination of schemes to cover disability related costs

This policy alternative aims to provide a combination of schemes to address disability related costs of children with disabilities. This will not only administer a disability allowance, but will also revamp the implementation of existing laws and programs to maximize their funding and existing institutional mechanisms in the form of interagency committees, technical working groups, etc. It will entail the

following key components:

- **Amendment of Magna Carta for Persons with Disabilities.** Republic Act 7277, as amended by Republic Act 9442 and Republic Act 10070, outlines rights to be enjoyed by persons with disabilities primarily on employment, education, health, auxiliary social services, telecommunications, accessibility, and political and civil rights through the establishment of the Persons with Disabilities Affairs Office at the local level. However, an explicit mention on the allocation of the LGUs budget for persons with disabilities is not provided in the law. It may be noted that only a Joint Circular was issued to dedicate 1% of LGUs' IRA to services for both senior citizens and persons with disabilities. Hence, there is an identified need to place measures in increasing budget allocation for persons with disabilities at the local level by amending the law. Along with this, a provision mandating for the establishment of the PDAO, instead of having a leeway in designating a focal person, is necessary to ensure that services are readily accessible and are nearest to the constituents. Dedicating a separate budget allocation for persons with disabilities would help ensure provision of services for the sector and establishment/functionality of Persons with Disability Affairs Offices in every locality. This financing may also facilitate creation of programs, which may be included as one of the provisions to be included in the law's amendment, including provision of financial assistance for families with children with disability.
- **Intensifying implementation of Philhealth Z Benefit Package.** Ideally, free or heavily subsidized healthcare should be accessible to children with disabilities. However, due to budgetary

constraints, the Philhealth Z Benefit could first be maximized to mitigate developmental disabilities from worsening, and enable children to attain the highest level of development possible. To qualify for this intervention, the child must be enrolled in the Philippine Registry of Persons with Disability (PRPWD). Although registration can be done through digital platforms, more accessible mechanisms should be in place especially in far flung areas. Knowledge campaigns could also be conducted in order to educate parents or guardians on the benefits of registering and having a disability ID.

- **Strengthening operationalization of Inclusive Education Act.** Having just been enacted, the implementing rules and regulations of Republic Act 11650 needs to be immediately published, followed by a results framework to ensure that proper outcome indicators are established for proper monitoring. Crucial to the implementation of this law is the existence of proper equipment and facilities that are person with disability-friendly. This includes having ramps and elevators for students who use wheelchairs, Braille textbooks for students who are blind or have low vision, and sign language interpreters for students who are deaf or hard of hearing. The standard ratio of qualified teachers to students with disabilities should also be met. Awareness about inclusive education- what is it and why it is important- is also important as it would not only benefit the students with disabilities, but other students as well (positive behavior changes and culture of acceptance are among these). Lastly, strong support and sufficient funding from the government is vital (Llego, 2022).
- **Strict imposition of concessions or privileges.** By virtue of the Magna

Carta for Persons with Disabilities, Accessibility Law, and Expansion of Benefits of Persons with Disability Act, there already exist privileges for persons with disabilities. These include a 20% discount for all services in recreation centers and leisure and amusement places, purchases of medicines in all drugstores, at least a 20% discount on medical and dental services including diagnostic and laboratory fees & professional fees of attending doctors in all private hospitals & medical facilities, fare for domestic air and sea travel, special discounts (5%) in special programs on purchase of basic commodities (with guidelines from DTI & DA), and at least twenty percent (20%) discount and exemption from the value-added tax (VAT). However, monitoring of compliance of establishments must be strictly monitored as there are inconsistencies in their interpretation and application of discounts.

- **Introduction of a Needs-based Disability allowance.** The disability allowance to be provided shall be customized to the needs of the child according to their functional difficulty and the capacity of the household to provide for the needs according to their income. This option would require a centralized database and a system that identifies the severity of disability in relation to their social functioning/ participation. To identify households per specific income level with children with disabilities, tagging of disability could be integrated in the Family Income and Expenditure Survey (FIES).

Based on the analysis, this policy option is projected to effect the most desirable outcome. It gained the highest score across all criteria except for feasibility given the complexity of its components. As supported by numerous studies,

investments in the education, health, concessions, and disability allowance address different aspects of needs of a child with disability. With the combination of schemes, the disability allowance would cover some of the basic disability related costs, especially increased consumption

of ordinary goods and services and some of the lower-cost disability specific goods and services. On the other hand, in-kind benefits and services would reduce the variation in the remaining extra costs and allow for fewer under- or over- cash payments meant to cover them.

RECOMMENDATIONS

Drawing from the discussion on the policy alternatives and the grid analysis, Policy Alternative 3 – **employing a combination of schemes to cover disability related costs is recommended**. Although this would require the most costly, time demanding, and human resource-heavy intervention, the projected outcomes meet the main policy goals which are equity and welfare. A combination of schemes would not only address the minimum extra costs associated with having a disability, but it would also provide an opportunity for optimum participation and functioning.

Having said that, recognizing both the urgency to provide immediate assistance to children with disabilities, and the administrative demands of Policy Alternative 3, covering the costs of disability could be progressively realized with the Policy Alternative 2 – introduction of a disability allowance – as the starting point.

The following steps are further recommended:

- 1. Introduce a Child Disability Allowance either through the creation of a new program or the expansion of 4Ps.** As discussed in Policy Option 2, a flat cash assistance worth Php2,000.00 could be the first step in covering the extra cost of disability of children. Amount could be further customized once data collection and severity assessment systems are in place.
- 2. Amend the Magna Carta for Persons with Disability.** The NCDA to lobby for the amendment of the Magna Carta for Persons with Disability. The amendment shall cover the updating of the definition of disability to integrate its relationship to functioning and social participation. Other provisions as discussed in Policy Option 3 shall be covered such as the increasing of allocation of budget for Persons with Disabilities. These amendments shall be cascaded to all key agencies, LGUs, and beneficiaries to establish information symmetry.
- 3. Create a system that assesses the severity of disability.** The Department of Health, in partnership with DICT, DILG, DSWD, and NCDA to develop a system that determines the severity of disability of registered persons with disability. This will be used in tailoring disability allowance to the needs of the child.
- 4. Create a centralized database on children with disabilities.** Using existing information systems, the DSWD, DOH, and NCDA to lead the harmonization and validation of available data on children with disabilities. Information campaign on registration to PRPWD.
- 5. Adjust the current poverty threshold.** While measuring the cost of disability against standard of living is a step forward addressing the needs of children with disabilities, the current poverty threshold (Php 12,030 per capita per month) is too low when

compared to self ratings on poverty (Php 15,000 in Metro Manila). Increasing the poverty threshold would have a significant impact on many government policies, including the appropriate disability allowance for children with disabilities. Although it is recognized that provision of disability support allowance for children with disabilities should not discriminate based on socioeconomic status, funding for social protection services remains to be limited. Hence, prioritization based on needs and capacity of the family could be a starting point in providing support to children with disabilities.

- 6. Progressive realization to tailor fit the disability allowance and cover all persons with disabilities.** The whole-of-government approach must work towards the progressive coverage of all persons with disabilities starting from children with disabilities. It can start from a child disability allowance, to adult disability allowance, all the way to a disability pension benefit. The disability support scheme can be patterned after this:

Benefit type	Age	Degree of disability	Income level	Benefit Amount*
Child disability allowance	0-17	Severe	Poor	TBD
			Near-poor	TBD
		Mild	Near-poor	TBD
Supplementary Disability Pension	18-64	Severe	Poor	TBD
			Near-poor	TBD
			Above near-poor	TBD
	65 and older	Severe	Poor	TBD
			Near-poor	TBD
			Above near-poor	TBD
Adult disability allowance	18-64	Mild	Poor	TBD
	65 and older	Mild	Near-poor	TBD

*computation shall be based on the severity assessment system to be developed

Source: Wook, n.d.

Lastly, it must be emphasized that to truly support inclusion, there is a need to account for heterogeneous costs through a combination of schemes, not just a disability allowance. Hence, strengthening of existing laws and programs must be ensured to complement the cash assistance. Otherwise, the disability allowance might only cover costs of regular goods and services at worst or minimum extra costs of disabilities at best.

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ANNEX A. EXISTING POLICIES AND PROGRAMS

Policy/Program	Provisions	Oversight body	Status	Gaps
REPUBLIC ACT NO. 7277, Otherwise Known as “Magna Carta for Persons with Disabilities”	<ul style="list-style-type: none"> Disability Registry 20% discount alongside exemption from value added tax (travel fares, accommodation, restaurants, cinemas, medical services, and medicines) Additional 5% discount on certain basic need items, e.g. food items, drinking water and construction materials. For private sector service providers, discounts are reported for deduction from their tax bill 		Currently implemented	<ul style="list-style-type: none"> Lack of database Only an estimate of 325,000 have a Disability ID (this is 1% of the children population in the Philippines) Inconsistent interpretation and application of discounts
RA 10070- An Act Establishing an Institutional Mechanism to Ensure the Implementation of Programs and Services for Persons with Disabilities in Every Province, City and Municipality	Establishment of PDAO and Focal Persons catering PWDs to all LGUs	DSWD NCDA	Currently implemented	<ul style="list-style-type: none"> Almost half of local government units (LGUs) across the country have no existing office or focal person that caters to the needs of persons with disabilities (PWDs). No existing sanctions for non-compliant LGUs Non-prioritization of programs and services for PWD at the LGU level
RA 10754 – An Act Expanding The Benefits And Privileges Of Persons With Disability (PWD)	At least twenty percent (20%) discount and exemption from the value-added tax (VAT)	DSWD DOH DOF NCDA	Currently implemented	<p>Proliferation of fake PWDS</p> <p>Lack of a centralized electronic database of PWDs</p>
Batas Pambansa Blg. 344 – An Act to Enhance the Mobility of Disabled Persons by Requiring Certain Buildings, Institutions, Establishments and Public Utilities to install Facilities and Other Devices	<p>Mandatory inclusion of PWD facilities to various establishments, public spaces and institutions</p> <p>Penalty of P2000 to P5000 to violators</p>	DPWH NCDA	Currently implemented	Some PWD spaces are not implemented efficiently and effectively

Policy/Program	Provisions	Oversight body	Status	Gaps
Memorandum Circular No. 2009-37 Support For Community-Based Program For Children With Disabilities	Implementation of the Breaking Barriers for Children Project. The project led to the establishment of 5 Stimulation and Therapeutic Centers for poor children with disabilities	DILG Katipunan ng Maykapansana sa Pilipinas, Inc.	Implementation started in 2014	No data available
RA 11650 - Instituting a Policy of Inclusion and Services for Learners with Disabilities in Support of Inclusive Education Act PhilHealth Circular No. 2017-0031 Z Benefits for Children with Mobility Impairment	Provision of free and appropriate early and basic education to learners with disability Individualized Education Plan	DepEd	Recently signed by the President	No data yet
PhilHealth Circular No. 2017-0031 Z Benefits for Children with Mobility Impairment	Provision of benefit package worth P3,626.00 to P5,276.00 for eligible PhilHealth members	PhilHealth	Currently implemented	<ul style="list-style-type: none"> Inadequate amount of the benefit package Lack of awareness of the benefits Narrow reach of beneficiaries
RA 11228 - An Act Providing For The Mandatory Philhealth Coverage For All Persons With Disability (PWDs), Amending For The Purpose Republic Act No. 7277, As Amended, Otherwise Known As The "Magna Carta For Persons With Disability	Automatic membership of all PWDs to National Health Insurance Program and PhilHealth The national government shall cover the half of the premium (provided that the half is covered by the employer)	PhilHealth	Currently implemented	Unemployed PWDs (including CWDs) are not entitled to the government's share of premium

ANNEX B. STAKEHOLDERS ANALYSIS

Level of Power Influence of stakeholder	High	Keep Satisfied	Manage Closely
		<ul style="list-style-type: none">• Congresspersons• LGUs• DoTr• DTI	<ul style="list-style-type: none">• DSWD• DOH• PhilHealth• SSS• DepEd
	Low	<ul style="list-style-type: none">• Private establishments	<ul style="list-style-type: none">• CWC• NCDA• Children with disabilities and their families• CSOs (CWDs)• International Development Organizations/Partners
		Monitor	Keep Informed
		Low	High
Level of Interest / Support Impact to stakeholder			