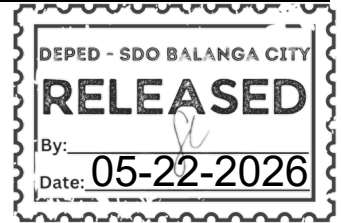




Republic of the Philippines  
**Department of Education**

Region III – Central Luzon  
**SCHOOLS DIVISION OFFICE OF BALANGA CITY**

**Office of the Schools Division  
Superintendent**



**DIVISION MEMORANDUM**

No. 279, s. 2026

**REITERATION OF GUIDELINES ON THE UTILIZATION AND LIQUIDATION  
OF MEDICAL ALLOWANCE FOR CY 2026**

TO: Chiefs of CID and SGOD  
Units/Section Heads  
Public Elementary and Secondary School Heads  
All Others Concerned

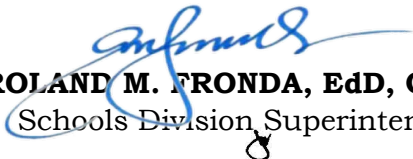
1. In reference to DepEd Order No. 016, s. 2025 and DBM Budget Circular No. 2024-6, this Office reiterates the guidelines on the proper utilization and submission of documentary requirements for the Medical Allowance granted to eligible teaching and non-teaching personnel.
2. All personnel who have availed of the Medical Allowance shall ensure that the amount is utilized strictly for HMO enrollment or payment of medical-related expenses, in accordance with existing rules.
3. In line with the reportorial requirements, all concerned personnel are directed to submit complete liquidation documents and/or proof of utilization **on or before June 22, 2026**, such as:
  - Copy of HMO agreement; or
  - HMO-issued ID; or
  - Official receipt of HMO membership fee;
  - Proof of dependent status (if applicable).
4. All School Heads are hereby directed to consolidate the liquidation documents of eligible personnel in their respective schools and submit the same to the Human Resource Management Office (HRMO) of the Division Office.
5. For reference, attached is the list of Health Maintenance Organizations (HMOs) accredited by the Insurance Commission as of December 2025 for guidance in ensuring compliance with authorized providers.



Address: DFS Phase III, Talisay, Balanga City  
Email Address: balanga.city@deped.gov.ph  
Telephone No: (047) 935-0210



6. Please be reminded that failure to submit the required liquidation documents within the prescribed period shall render the personnel ineligible for the grant of Medical Allowance for the succeeding year, in accordance with existing guidelines.
7. Immediate dissemination of and strict compliance with this Memorandum is hereby directed.

  
**ROLAND M. FRONDA, EdD, CESO V**  
Schools Division Superintendent

Encl.: As stated

Reference:

To be indicated in the Perpetual Index under the following subjects:

BENEFITS  
MEDICAL  
PERSONNEL



Republic of the Philippines  
**Department of Education**

JUN 09 2025

DepEd ORDER  
No. **016**, s. 2025

**GUIDELINES ON THE GRANT OF MEDICAL ALLOWANCE  
TO THE DEPARTMENT OF EDUCATION PERSONNEL**

To: Undersecretaries  
Assistant Secretaries  
Bureau and Service Directors  
Regional Directors  
Schools Division Superintendents  
Public Elementary and Secondary School Heads  
All Others Concerned

1. The Department of Education (DepEd) issues the enclosed **Guidelines on the Grant of Medical Allowance to the DepEd Personnel** pursuant to Executive Order (EO) No. 64, s. 2024, titled Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and for Other Purposes, and Department of Budget and Management (DBM) Budget Circular No. 2024-6, titled Rules and Regulations on the Grant of Medical Allowance to Civilian Government Personnel, issued on December 12, 2024.
2. This Order establishes guidelines for granting medical allowance to all eligible DepEd teaching and nonteaching personnel. Moreover, this Order aims to ensure access to essential healthcare services for DepEd personnel through the provision of a medical allowance, thereby promoting their overall well-being and enhancing their financial security.
3. All Orders and other related issuances, rules, regulations, and provisions that are inconsistent with these guidelines are repealed, rescinded, or modified accordingly.
4. This Order shall take effect immediately upon its approval, issuance, and publication on the DepEd website. Certified copies of this Order shall be registered with the Office of the National Administrative Register (ONAR) at the University of the Philippines Law Center (UP LC), UP Diliman, Quezon City.
5. For inquiries or concerns, please contact the **Bureau of Human Resource and Organizational Development-Employee Welfare Division**, Mabini Building, Department of Education Central Office, DepEd Complex, Meralco Avenue, Pasig City, through email at [bhrod.ewd@deped.gov.ph](mailto:bhrod.ewd@deped.gov.ph) or at telephone number (02) 8633-7229.

6. Immediate dissemination of and strict compliance with this Order is directed.



**SONNY ANGARA**  
Secretary

Encl.:  
As stated

Reference: N O N E

To be indicated in the Perpetual Index  
under the following subjects:

ALLOWANCE  
BENEFITS  
BUREAUS AND OFFICES  
EMPLOYEES  
FUNDS  
OFFICIALS  
POLICY  
RULES AND REGULATIONS



MSCM, JD, MPC, DO Guidelines on the Grant of Medical Allowance to the DepEd Personnel  
0203 - June 4, 2025



## **GUIDELINES ON THE GRANT OF MEDICAL ALLOWANCE TO THE DEPARTMENT OF EDUCATION PERSONNEL**

### **I. RATIONALE**

Civilian government personnel including teaching and non-teaching personnel of the Department of Education (DepEd) are at considerable risk of financial strain due to the escalating cost of medication and hospitalization. While the Philippine Health Insurance Corporation (PhilHealth) provides health insurance, it is often insufficient to meet the full medical needs of its members.

Pursuant to EO No. 64, s. 2024 and DBM Circular No. 2024-6, each eligible DepEd personnel is authorized to receive medical allowance of up to Seven Thousand Pesos (PhP7,000.00) per annum as subsidy for availing health maintenance organization (HMO) benefits. This allowance aims to reduce the financial burden associated with hospitalization and medical treatment. Further, the grant of the subsidy will foster competent, committed, adaptable, and healthy workforce. In turn this will result in enhanced productivity in delivering quality basic education.

This Order shall serve as a guide for the Central Office (CO), Regional Offices (RO), Schools Division Offices (SDO), and Schools to ensure effective allocation, distribution, utilization, monitoring, and evaluation of the grant of the medical allowance within their respective jurisdictions.

### **II. SCOPE**

This Order shall apply to all eligible DepEd teaching and non-teaching personnel, whether appointed on a permanent, co-terminus, fixed-term, casual, or contractual basis, subject to the provisions under Section V of these Guidelines.

### **III. DEFINITION OF TERMS**

1. *End-User* – refers to the Focal Office (FO) that identifies, plans, prepares, designs, and implements the procurement project based on the requirements or needs of the DepEd in accordance with its mandate.<sup>1</sup>
2. *Geographically Isolated and Disadvantaged Areas (GIDAs)* – refers to *communities/areas* which are specifically disadvantaged due to the presence of both physical (refers to characteristics that limit the delivery of and/or access to basic health services to communities that are difficult to reach due to distance, weather conditions, and transportation difficulties) and socio-economic (refers to social, cultural, and economic characteristics of the community that limit access to and utilization of health services) factors.<sup>2</sup>
3. *Health Maintenance Organization (HMO) product* – refers to pre-agreed or designated health care services to the enrolled members for a fixed pre-paid

<sup>1</sup> Republic Act No. 12009, Section 5 (j).

<sup>2</sup> DBM Circular No. 2024-06, § 5.1.

*[Handwritten signature]*

*[Handwritten mark]*

fee for a specified period of time through the use of selected network of health care providers, issued on individual/family or group basis.<sup>3</sup>

4. *High-risk Cases* – refers to individuals or groups of people requiring specialized healthcare arising from factors such as but not limited to age, chronic illnesses, pregnancy, and disabilities of any nature.
5. *HMO Provider* – refers to a juridical entity legally organized to provide or arrange for the provision of pre-agreed or designated health care services to its *enrolled* members for a fixed pre-paid fee for a specific period of time.<sup>4</sup>
6. *Medical Expenses* – refers to any costs incurred for the prevention, treatment, and rehabilitation of injury or illnesses.
7. *Group Availment* – refers to the collective method by which a group of employees avails of the Medical Allowance benefit through bulk or group procurement of HMO-type healthcare benefits.
8. *Individual Availment* – refers to a single and duly qualified employee personally availing of the HMO-type benefit, in accordance with the eligibility criteria, documentation requirements, and procedural guidelines set forth in this Order.
9. *Focal Office* – refers to the designated office/unit in each governance level that is responsible for overseeing the implementation and providing technical assistance, guidance, support, and monitoring to ensure the successful implementation of the Order.

#### **IV. POLICY STATEMENT**

1. This Order provides the guidelines in the allocation, distribution, utilization, and monitoring of the grant of medical allowance to all eligible DepEd teaching and non-teaching personnel as mandated by EO No. 64, s. 2024 and DBM Budget Circular No. 2024-6. In implementing this Order, the DepEd aims to achieve the following:
  - a. To update the benefits of eligible DepEd personnel in order to foster a competent, committed, agile and healthy workforce, thereby increasing productivity and improving the quality of public services;
  - b. Establish an equitable system that ensures eligible DepEd personnel, have access to basic healthcare assistance;
  - c. Enhance satisfaction, motivation, productivity, and retention among eligible DepEd personnel by addressing their medical concerns;
  - d. Decrease the likelihood of absenteeism and financial ruin due to hospitalization and treatment;

---

<sup>3</sup> Guidelines on the Approval of HMO Products and Forms, Insurance Circular Letter No. 2017-19, 31 March 2017.

<sup>4</sup> DBM Circular No. 2024-06, § 5.2.

*AS*

*[Handwritten signatures]*

- e. Support and complement other health initiatives and benefits offered by both the government and the Department; and
  - f. Demonstrate the Department's proactive role in protecting and promoting the holistic well-being of its workforce.
2. This Order mandates that all Offices involved shall strictly comply with the provisions herein, ensuring that the mechanisms for the grant of the medical allowance are executed fairly, consistently, and in full compliance with existing laws, rules, and regulations.

## **V. GENERAL PROCEDURES FOR GRANTING MEDICAL ALLOWANCE**

### **A. ELIGIBLE PERSONNEL**

1. The personnel are already in government service and are to render services for at least a total or an aggregate of six (6) months of service in a particular fiscal year, including leaves of absence with pay, and services rendered under any alternative work arrangements prescribed by the Civil Service Commission.
2. Newly hired personnel may qualify for the grant of the medical allowance after rendering six (6) months of service in a particular fiscal year.
3. Personnel who transferred to the DepEd and was not granted medical allowance by the government agency they previously worked for shall be eligible to receive the medical allowance from DepEd, subject to submission of a certification from the former agency's Human Resource or Personnel Unit/Office/Division. The certification shall then be verified by the concerned DepEd Focal Office (FO).
4. The medical allowance of a personnel on detail to another government agency shall be granted by the mother agency, while those on secondment shall be paid by the recipient agency.
5. A compulsory retiree, whose services have been extended, may be granted the medical allowance, subject to the pertinent conditions and guidelines under this Order.
6. Personnel who are formally charged with administrative and/or criminal cases, which are still pending for resolution, shall be entitled to medical allowance until found guilty.
7. Personnel who are formally charged with administrative and/or criminal cases, and who are found guilty with a penalty of reprimand, shall still be entitled to medical allowance.
8. Personnel on study leave with pay or on study/training/scholarship grant whether locally or abroad, and renders at least six (6) months of service in the same year, including leaves of absence with pay prior to and/or after the study leave or study/training/scholarship grant shall be entitled to the medical allowance.

*Handwritten mark*

*Handwritten initials and signature*

**B. INELIGIBLE PERSONNEL**

1. Those who are hired without employer-employee relationships and funded from non-Personnel Services (PS) appropriations/budgets, as follows:
  - 1.1 Consultants and experts hired for a limited period to perform specific programs, activities, or services with expected outputs;
  - 1.2 Student laborers or apprentices;
  - 1.3 Individuals and groups of people whose services are engaged through contracts of service (CoS), job orders (JOs), or others similarly situated.
2. Officials and personnel who are already receiving HMO-based health care services by virtue of special laws.
3. Personnel who transferred to DepEd within the year but was earlier granted medical allowance by the previous agency shall no longer be granted medical allowance by DepEd for the same year.
4. The medical allowance of any personnel funded by their respective Local Government Units (LGUs) but are assigned to DepEd shall be paid by their respective LGUs.
5. Personnel who are found guilty of an administrative and/or criminal case shall not be entitled to the medical allowance in the year when the decision/resolution becomes final. Additionally, the concerned personnel shall refund any Medical Allowance received for that year.
6. Personnel on study leave with pay or on study/training/scholarship grant, whether locally or abroad, for the entire year, shall not be entitled to medical allowance.

**C. AVAILING OF MEDICAL ALLOWANCE**

1. The medical allowance may be granted either by availing of it through **group availment** or **individual availment**.
2. The process of registering for the availment of medical allowance, either through Group or Individual availment shall be in accordance with the following process:
  - 2.1 The Personnel Unit/Division shall generate the list of qualified personnel to avail the Medical Allowance and announce through a memorandum or advisory.
  - 2.2 All eligible personnel shall fill-out the Medical Allowance Registration Form (Annex A), indicating their chosen form of availment. The head of office/chief will consolidate the registration forms and submit to their respective FO.
  - 2.3 The FO shall submit the consolidated list to Budget Office/Unit/Division to determine the total pooled budget for procurement and individual availment.

3. **Group Availment.** The following guidelines shall apply to those who have availed of Group Availment.

3.1 The group availment for of HMO-Type product/benefit shall be through DepEd procurement. HMO packages are greatly encouraged to include benefits for high-risk cases such as pregnant women, senior citizens, or persons with disabilities (PWDs). Moreover, the HMO coverage shall be for a period of 12 months.

3.2 The following shall be considered in the procurement of all HMO packages:

- 3.2.1 In-patient benefit;
- 3.2.2 Out-patient benefit;
- 3.2.3 Emergency care benefit;
- 3.2.4 Annual Physical Exam; and
- 3.2.5 Dental benefit.

3.3 The group availment through Agency Procurement shall be facilitated by the designated FO in this Order, subject to the procurement process as defined in existing laws, rules, and regulations. The procurement shall be done through the following:

Delivery Unit	Coverage
CO	CO Personnel
RO	RO Personnel
SDO	SDO and School Personnel

3.4 The FO shall serve as the End-User (EU) for this procurement project.

3.5 The EU shall determine the budget requirements for procurement based on the consolidated medical allowance Registration Form, of eligible personnel who wish to avail themselves of this option.

3.6 The EU shall prepare the procurement planning documents and other requirements needed, subject to the procurement process as defined in existing laws, rules, and regulations.

3.7 After the successful procurement process, the EU shall implement the project. The awarded service provider shall deliver the services as stated in the contract.

3.8 The EU shall ensure the timely submission of statistical reports from the service providers.

4. **Individual Availment Form.** This option may be availed through the following:

4.1 Payroll Disbursement for the availment of new/renewal of individual HMO.

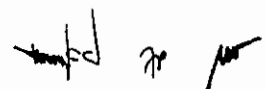
*[Handwritten signature]*

*[Handwritten mark]*

- 4.1.1 The FO shall determine the number of eligible personnel based on the consolidated Annex A forms, who opted to avail the individual availment option.
- 4.1.2 Personnel who already have an HMO-type product shall submit proof of enrollment with their HMO provider to the FO, such as, but not limited to, any of the following:
- a. copy of HMO agreement;
  - b. valid identification card (ID) issued by the HMO provider reflecting the name of the employee; or
  - c. official receipt for the payment of the membership fee for the HMO product acquired.
- 4.1.3 Personnel enrolled as supplemental members or dependents under their family's HMO plan must present any valid proof of enrollment or registration that verifies such conditions. Entitlement to the medical allowance shall be granted only upon submission of such proof.
- 4.1.4 The FO shall submit the consolidated Annex A forms that opted for the individual availment of HMO to their respective Finance Unit/Office/Division.
- 4.1.5 The Finance Office/Unit/Division of the EU concerned shall process the release of the medical allowance.
- 4.1.6 Personnel are required to submit the aforementioned reportorial requirements subject to the usual accounting and auditing rules and regulations. Failure to comply shall result in the withholding of the personnel's Medical Allowance for the succeeding year until such obligations have been satisfactorily settled.
- 4.1.7 In cases where the HMO-type product availed is below the rate of P7,000 medical allowance, the personnel shall not be obliged to refund the excess amount.

4.2 Cash form for payment of medical expenses.

- 4.2.1 This option shall be granted to personnel who fall under one of the three conditions set by the DBM Circular:
- a. Their localities/communities are identified as GIDA, as certified by the head of agency;
  - b. Their localities have no adequate HMO branch or office of a licensed HMO company, as certified by the head of agency.
  - c. Application of the personnel concerned in acquiring HMO coverage has been denied by an HMO company.
- 4.2.2 Based on the assigned workstation as the reference point, the following DepEd officials are authorized to issue certifications for identified GIDA localities where there is no adequate HMO branch or licensed HMO company within the area, as



supported by relevant data from the LGU or other applicable government agencies.

<b>Delivery Unit</b>	<b>Authorized Officials</b>
CO Personnel	Undersecretary for Human Resources and Organizational Development
RO Personnel	Regional Director
SDO and School Personnel	Schools Division Superintendent

- 4.2.3 The conditions set forth in (a) and (b) shall also apply to personnel assigned, either permanently or temporarily, to localities/communities identified as GIDA, or when no adequate HMO company operates within the area.
- 4.2.4 The FO shall submit the consolidated Annex A forms that opted for cash form for payment of medical expenses to their respective Finance Office/Unit/Division.
- 4.2.5 The Finance Office/Unit/Division of the EU concerned shall process the release of the medical allowance.
- 4.2.6 Personnel are required to submit the following reportorial requirements subject to the usual accounting and auditing rules and regulations. Failure to comply shall result in the withholding of the personnel's medical allowance for the succeeding year until such obligations have been satisfactorily settled.
- a. Signed Individual Cash Claim Form, hereto attached as Annex B; and
  - b. Certification of GIDA or Certification of No Adequate HMO branch or office, or Proof of Denial from any HMO including but not limited to letter or electronic mail.

**D. FUND SOURCE AND RATES OF MEDICAL ALLOWANCE**

1. As a national government agency, the DepEd shall charge against the available PS allotments for the grant of the medical allowance.
2. In case of deficiency, the amount required may be charged against the *Miscellaneous Personnel Benefits Fund* and any other available appropriations under the annual General Appropriations Act (GAA), subject to applicable and existing budgeting, accounting, and auditing rules and regulations.
3. For FY 2025, the medical allowance for full-time service of DepEd personnel shall not exceed PhP7,000.00 per annum. For each subsequent year, the medical allowance shall not exceed the amount authorized under the pertinent general provisions in the annual GAA.

AS

70

4. The medical allowance per annum for part-time service shall be in direct proportion to the medical allowance for full-time service. If employed on a part-time basis with two (2) or more agencies, the concerned personnel shall be entitled to proportionate amounts corresponding to the services in each agency, provided that the total medical allowance shall not exceed the authorized amount. For example, the medical allowance for part-time service in FY 2025 shall be computed as follows:

$$\begin{array}{l} \text{Medical} \\ \text{Allowance} \\ \text{(Part-Time} \\ \text{Service)} \end{array} = (\text{Php } 7,000) \times \frac{\text{(hours of part-time service/day)}}{\text{8 hours of full-time service}}$$

5. If employed on a part-time basis with two (2) or more agencies, personnel shall be entitled to proportionate amounts corresponding to the services in each agency, provided that the total medical allowance shall not exceed the authorized amount.
6. Pursuant to Revenue Memorandum Circular No. 107-2024 of the Department of Finance-Bureau of Internal Revenue, the authorized Medical Allowance granted under EO No. 64, s. 2024 falls under the “de minimis” benefit contemplated in Section 2.78.1(A)(3) of Revenue Regulations (RR) No. 2-98, as amended. Such being the case, the Medical Allowance and/or the actual premium paid to HMO providers in compliance with EO No. 64, s. 2024 is exempt from income tax and consequently, to withholding tax.

#### **E. DISBURSEMENT OF MEDICAL ALLOWANCE**

The provision of HMO-type product for both group and individual availment shall be subject to the existing budgeting, procurement, accounting and auditing laws, rules, and regulations, particularly provisions of DBM Circular No. 2024-6 provided that employees who shall have resigned or retired prior to completing the required six (6) months of service in a particular fiscal year shall be obligated to return the allowance received for such year.

#### **F. ROLES AND RESPONSIBILITIES**

The following DepEd concerned offices shall have roles and responsibilities to ensure the efficient and accurate distribution of the medical allowance to eligible personnel:

##### **1. CO**

- 1.1 The Employee Welfare Division shall serve as the FO in the Central Office. It shall lead and oversee the implementation of this Order guidelines and provide technical assistance, guidance, support, and monitoring to ensure its successful implementation. It shall also develop supplemental guidelines whenever necessary, and ensure the submission of necessary reports to DBM.

- 1.2 The Personnel Division shall verify if the personnel meet the qualifications and conditions provided by Section V.A. (Eligible Personnel).
- 1.3 The Budget Division shall facilitate the budget allocation for group and individual availment. Moreover, it shall monitor the disbursement/utilization/allocation reports of all delivery units.
- 1.4 The Accounting Division shall facilitate the processing of payments to HMO service provider or disbursement to CO personnel.
- 1.5 The Procurement Management Service shall manage the end-to-end procurement process of the HMO-type package and ensure that it is compliant with the national procurement laws and regulations.

## **2. RO**

- 2.1 The Administrative Division shall serve as FO the in the RO. Moreover, the Administrative Division shall facilitate the implementation of this Order at the regional level. Additionally, through its Personnel Unit, the Administrative Division shall verify if personnel meet the qualifications and conditions provided by Section V.A (Eligible Personnel). The Administrative Unit shall be responsible in submitting the required DBM report, referred herein as Annex C, to the CO before the end of 3<sup>rd</sup> and 4<sup>th</sup> quarters of the fiscal year.
- 2.2 The Finance Division shall facilitate the budget allocation for group and individual availment. It shall also monitor the disbursement/utilization/allocation reports from the SDOs and Schools and submit to the CO. Furthermore, it shall facilitate the processing of payment to HMO service provider or disbursement to RO personnel.

## **3. SDO**

- 3.1 The Administrative Unit shall serve as the FO in the SDO and Schools. It shall facilitate the implementation of this policy at the SDO and School level. However, the SDOs may exercise the flexibility by allowing the Schools who are identified as Implementing Unit to undertake the availment process, as deemed practical and efficient. Likewise, it shall verify if the personnel meet the qualifications and conditions provided by Item No. V.A. (Eligible Personnel). The Administrative Unit shall be responsible in submitting the required DBM Annex C report to the RO before the end of 3<sup>rd</sup> and 4<sup>th</sup> quarters of the fiscal year.
- 3.2 The Finance Unit shall oversee the fund management and utilization for this Order at the SDO and school level. It shall also monitor the disbursement/utilization/allocation reports from the schools and forward the said reports to the RO. Furthermore, the Finance Unit shall facilitate the processing of payments to the HMO service provider or disbursement of funds to SDO and School personnel, as applicable.

*[Handwritten mark]*

*[Handwritten initials]*

## **VI. MONITORING AND EVALUATION**

The Central Office, through the Employee Welfare Division, shall continuously gather feedback on the implementation of the grant of medical allowance from all concerned internal and external stakeholders. It shall conduct a periodic policy review to further improve personnel' welfare and address the operational challenges in the implementation of this Order.

All FOs, including the CO, ROs, and SDOs along with accountable officials and personnel, shall ensure compliance with this Order along with adherence to existing budgeting, procurement, accounting and auditing laws, rules, and regulations regarding the appropriate use of funds for this purpose. FOs in the RO shall submit the consolidated Annex C – DBM monitoring reports to the CO. Other reports may be required upon issuance of supplemental guidelines and other issuances.

## **VII. PROHIBITIONS**

In line with DECS Order No. 28, s. 2001 which prohibits the commercialization of DepEd through endorsements and accreditation of goods and services, no institutional endorsement shall be issued by the DepEd to any HMO partners who passed the rigorous process of procurement. Further, no DepEd office or personnel apart from the identified FOs or EU may act as an intermediary between DepEd and the HMO service provider.

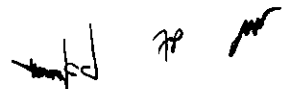
Any person who violates this Order shall be held administratively liable under DepEd Order No. 49, s. 2006 and the 2017 Rules on Administrative Cases in the Civil Service, as well as civilly and/or criminally liable, as applicable.

## **VIII. DATA PRIVACY NOTICE**

In compliance with RA No. 10173, or the "Data Privacy Act of 2012," all third-party providers involved in the medical allowance program shall comply with Republic Act No. 10173 and National Privacy Commission (NPC) issuances. Moreover, all sensitive personal information, including medical and health information collected from DepEd officials or personnel, shall be treated as confidential and used solely for legitimate purposes with prior written consent. In the event of any data breach, the DepEd Data Privacy Officer and National Privacy Commission shall be promptly notified to ensure that appropriate actions as taken.

## **IX. EFFECTIVITY/TRANSITORY PROVISION**

This Order shall take effect immediately upon its approval and after the publication on the DepEd website. Certified copies of this Order shall be registered with the University of the Philippines-Office of the National Administrative Registrar (UP-ONAR) at the UP Law Center, UP Diliman, Quezon City.



**X. RESOLUTION OF CASES**

Issues and concerns arising from the implementation of the Order shall be resolved by the Office of the Undersecretary for Human Resource and Organizational Development with the assistance of the Bureau of Human Resource and Organizational Development-Employee Welfare Division.

**XI. SEPARABILITY CLAUSE**

If any provision of this Order or part thereof is held invalid or unconstitutional, the remainder of the provisions not otherwise affected shall remain valid and subsisting.

**XII. REPEALING CLAUSE**

All orders, rules and regulations, and other issuances, or part thereof, inconsistent with this Order are hereby repealed, modified, or amended accordingly.

**XIII. REFERENCES**

The government issuances related to the grant of medical allowance are the following:

- a. EO No. 64, s. 2024 titled, *“Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and for Other Purposes; and*
- b. DBM Circular No. 2024-6 titled, *“Rules and Regulations on the Grant of medical allowance to Civilian Government Personnel.”*

**Annex A**  
*Medical Allowance Registration Form*

**Data Privacy Notice:** The Department of Education recognizes its responsibility under the Republic Act No. 10173, otherwise known as the *Data Privacy Act of 2012*, with respect to the data they collect, record, organize, update, use, consolidate or destruct from their personnel. The personal data obtained from this form is entered and stored within the organization's authorized information and communications system and will only be accessed by authorized personnel. The organization has instituted appropriate technical and physical security measures to ensure the protection of personal data.

Furthermore, the information collected and stored in the portal shall only be used for the purposes of this activity. DepEd shall not disclose any personal information without consent and shall retain this information over a period of (10) ten years for the effective implementation and management of its activities.

**Section 1: Employee Information**

Full Name: \_\_\_\_\_  
Employee ID Number: \_\_\_\_\_  
Position/Designation: \_\_\_\_\_  
Office: \_\_\_\_\_  
Date of Appointment (dd/mm/yyyy): \_\_\_\_\_

Sex: \_\_\_\_ Date of Birth (dd/mm/yyyy): \_\_\_\_\_  
Mobile Number: \_\_\_\_\_ Email: \_\_\_\_\_

*For teaching personnel*

Region: \_\_\_\_\_  
Division: \_\_\_\_\_  
School: \_\_\_\_\_  
Employment Status:       Permanent       Contractual  
                                  Casual               Substitute

**Section 2: Form of Availment**

*Kindly select one:*

Group

Agency Procurement

Individual

Payroll Disbursement for availment of new/renewal of individual HMO

Cash form for payment of medical expenses

**Section 3: Certification**

I hereby confirm that the information provided above is accurate and truthful. I agree to comply with the terms and conditions outlined in the Guidelines on the Grant of

*[Handwritten signature]*

*[Handwritten initials]*

medical allowance to DepEd personnel, including the submission of required documents for verification and processing.

**Employee's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

*Handwritten mark*

*Handwritten marks*

**Annex B**  
*Individual Cash Claim Form*

**Data Privacy Notice:** The Department of Education recognizes its responsibility under the Republic Act No. 10173, otherwise known as the *Data Privacy Act of 2012*, with respect to the data they collect, record, organize, update, use, consolidate or destruct from their personnel. The personal data obtained from this form is entered and stored within the organization's authorized information and communications system and will only be accessed by authorized personnel. The organization has instituted appropriate technical and physical security measures to ensure the protection of personal data.

Furthermore, the information collected and stored in the portal shall only be used for the purposes of this activity. DepEd shall not disclose any personal information without consent and shall retain this information over a period of ten years for the effective implementation and management of its activities.

**Section 1: Employee Information**

Full Name: \_\_\_\_\_  
Employee ID Number: \_\_\_\_\_  
Position/Designation: \_\_\_\_\_  
Office: \_\_\_\_\_  
Service Duration: (From – To): \_\_\_\_\_

Sex: \_\_\_\_ Date of Birth (dd/mm/yyyy): \_\_\_\_\_  
Mobile Number: \_\_\_\_\_  
DepEd Email Address: \_\_\_\_\_

*For teaching personnel*

Region: \_\_\_\_\_  
Division: \_\_\_\_\_  
School: \_\_\_\_\_

Employment Status:       Permanent               Contractual  
    Casual                       Substitute

**Section 2: Pre-requisite Requirements.**

Supported with applicable documents, check any of the following condition below that applies.

- GIDA Certification
- Certification of area with no HMO
- Letter or email from HMO denying the application

**Section 3: Details of Medical Expenses Incurred**

Name of Medical Provider/Facility	Address	Date(s) of Medical Consultation/Service

*[Handwritten mark]*

*[Handwritten marks]*

<i>(Please add rows as necessary)</i>		

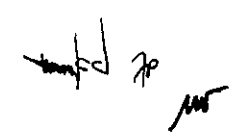
<b>Description of Expense</b>	<b>Amount (in PHP)</b>	<b>Receipt No./Reference</b>
Consultation Fee		
Laboratory/Diagnostic Tests		
Medication		
Hospitalization		
Others (please specify)		
<b>Total Amount</b>		

*Please attach original receipts*

**Section 3: Certification**

I, the undersigned, hereby certify that the information provided in this claim form is true and correct to the best of my knowledge, and the medical expenses listed above were incurred for legitimate medical purposes. I understand that submission of false claims shall be subject to disciplinary action and other legal consequences as determined necessary by the Department of Education.

**Employee's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Report on the Grant of Medical Allowance for the FY \_\_\_\_\_

Region: \_\_\_\_\_ Division: \_\_\_\_\_ School: \_\_\_\_\_

- I. Total Paid for Medical Allowance:
- A. Number of Qualified Personnel
    - i. Teaching Personnel \_\_\_\_\_
    - ii. Non-Teaching Personnel \_\_\_\_\_
    - Total A: \_\_\_\_\_
  - B. Rate of Medical Allowance P7,000.00
  - C. Total Amount Paid P \_\_\_\_\_

- II. Form of Medical Allowance
- Procurement by Agency
    - Name of HMO Provider: \_\_\_\_\_
    - Unit Price of HMO-type benefit: \_\_\_\_\_
    - Total No. of Qualified Personnel \_\_\_\_\_
      - Teaching: \_\_\_\_\_
      - Non-Teaching: \_\_\_\_\_
  - In Cash Form
    - Availed New HMO-type Benefit
      - Total No. of Qualified Personnel \_\_\_\_\_
        - Teaching: \_\_\_\_\_
        - Non-Teaching: \_\_\_\_\_
    - Payment of Existing or Renewal of HMO-type Benefit
      - Total No. of Qualified Personnel \_\_\_\_\_
        - Teaching: \_\_\_\_\_
        - Non-Teaching: \_\_\_\_\_
    - Localities Identified as GIDA
      - Total No. of Qualified Personnel \_\_\_\_\_
        - Teaching: \_\_\_\_\_
        - Non-Teaching: \_\_\_\_\_
    - Localities which have no adequate HMO branch or Office
      - Total No. of Qualified Personnel \_\_\_\_\_
        - Teaching: \_\_\_\_\_
        - Non-Teaching: \_\_\_\_\_
    - Application of Personnel Denied by HMO Company
      - Total No. of Qualified Personnel \_\_\_\_\_
        - Teaching: \_\_\_\_\_
        - Non-Teaching: \_\_\_\_\_

Prepared by:

Certified Correct:

\_\_\_\_\_  
Chief/Head of Administrative Division

\_\_\_\_\_  
Regional Director/SDS

*(Handwritten mark)*

*(Handwritten initials and date)*

**Report on the Grant of Medical Allowance for the FY \_\_\_\_\_**

- I. Total Paid for Medical Allowance:
- A. Number of Qualified Personnel
- i. Teaching Personnel \_\_\_\_\_
- ii. Non-Teaching Personnel \_\_\_\_\_
- Total A: \_\_\_\_\_
- B. Rate of Medical Allowance P7,000.00
- C. Total Amount Paid P \_\_\_\_\_

- II. Form of Medical Allowance
- Procurement by Agency
- Name of HMO Provider: \_\_\_\_\_
- Unit Price of HMO-type benefit: \_\_\_\_\_
- Total No. of Qualified Personnel \_\_\_\_\_
- Teaching: \_\_\_\_\_
- Non-Teaching: \_\_\_\_\_
- In Cash Form
- Availed New HMO-type Benefit
- Total No. of Qualified Personnel \_\_\_\_\_
- Teaching: \_\_\_\_\_
- Non-Teaching: \_\_\_\_\_
- Payment of Existing or Renewal of HMO-type Benefit
- Total No. of Qualified Personnel \_\_\_\_\_
- Teaching: \_\_\_\_\_
- Non-Teaching: \_\_\_\_\_
- Localities Identified as GIDA
- Total No. of Qualified Personnel \_\_\_\_\_
- Teaching: \_\_\_\_\_
- Non-Teaching: \_\_\_\_\_
- Localities which have no adequate HMO branch or Office
- Total No. of Qualified Personnel \_\_\_\_\_
- Teaching: \_\_\_\_\_
- Non-Teaching: \_\_\_\_\_
- Application of Personnel Denied by HMO Company
- Total No. of Qualified Personnel \_\_\_\_\_
- Teaching: \_\_\_\_\_
- Non-Teaching: \_\_\_\_\_

Prepared by:

Certified Correct:

Noted and Submitted by:

\_\_\_\_\_  
Chief Administrative Officer  
Employee Welfare Division

\_\_\_\_\_  
Undersecretary  
Human Resource and  
Organizational Development

\_\_\_\_\_  
Secretary

*(Handwritten mark)*

*(Handwritten initials and marks)*



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
GEN. SOLANO ST., SAN MIGUEL, MANILA

**BUDGET CIRCULAR**

No. 2024 - 6  
December 12, 2024

**TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs); Government-Owned or -Controlled Corporations (GOCCs); Local Water Districts (LWDs); Local Government Units (LGUs); and All Others Concerned**

**SUBJECT : Rules and Regulations on the Grant of Medical Allowance to Civilian Government Personnel**

## 1.0 Background

Section 7 of Executive Order (EO) No. 64<sup>1</sup>, s. 2024 authorizes, beginning FY 2025, the grant of a Medical Allowance in an amount not exceeding Seven Thousand Pesos (₱7,000) per annum to each qualified government civilian personnel as a subsidy to avail of health maintenance organization (HMO)-type benefits, subject to the conditions and guidelines to be issued by the Department of Budget and Management (DBM) or the Governance Commission for GOCCs (GCG), as the case may be.

Said Section of EO No. 64 also stipulated that the Medical Allowance shall be categorized under the Standard Allowances and Benefits component of the Total Compensation Framework embodied in Congress Joint Resolution No. 4<sup>2</sup>, s. 2009 and Republic Act (RA) No. 11466<sup>3</sup>.

<sup>1</sup> Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and For Other Purposes (August 2, 2024)

<sup>2</sup> Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in Government, and For Other Purposes (June 17, 2009)

<sup>3</sup> An Act Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits, and For Other Purposes (January 8, 2020)

## **2.0 Purpose**

This Circular is issued to provide the guidelines, rules, and regulations on the grant of the Medical Allowance to qualified civilian government personnel.

## **3.0 Coverage**

The Circular applies to all civilian government personnel in the national government agencies (NGAs), including SUCs, and GOCCs not covered by RA No. 10149<sup>4</sup> and EO No. 150<sup>5</sup>, s. 2021, regardless of appointment status, whether regular, casual, or contractual; appointive or elective; and on full-time or part-time basis.

This Circular also covers employees in the LGUs and LWDs.

## **4.0 Exclusions**

The following are excluded from the coverage of this Circular:

- 4.1 Government officials and employees who are already receiving HMO-based health care services by virtue of special laws;
- 4.2 Officials and employees in the legislative and judicial branches and other offices vested with fiscal autonomy;
- 4.3 Officials and employees in GOCCs under RA No. 10149 and EO No. 150, which shall be covered by the Compensation and Position Classification System (CPCS) established by the GCG and approved by the President of the Philippines;
- 4.4 Military personnel of the Armed Forces of the Philippines under the Department of National Defense and the uniformed personnel of the Philippine National Police, Philippine Public Safety College, Bureau of Fire Protection, and Bureau of Jail Management and Penology under the Department of the Interior and Local Government, Philippine Coast Guard under the Department of Transportation, Bureau of Corrections under the Department of Justice, and the National Mapping and Resource Information Authority under the Department of Environment and Natural Resources; and

---

<sup>4</sup> An Act to Promote Financial Viability and Fiscal Discipline in Government-Owned or -Controlled Corporations and to Strengthen the Role of the State in its Governance and Management to Make Them More Responsive to the Needs of Public Interest and for Other Purposes (June 6, 2011)

<sup>5</sup> Approving the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203 (S. 2016), and For Other Purposes (October 1, 2021)

- 4.5 Those hired without employer-employee relationships and funded from non-Personnel Services (PS) appropriations/budgets, as follows:
- 4.5.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
  - 4.5.2 Laborers hired through job contracts (*pakyaw*) and those paid on piecework bases;
  - 4.5.3 Student laborers and apprentices; and
  - 4.5.4 Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

## 5.0 Definition of Terms

- 5.1 *Geographically Isolated and Disadvantaged Areas (GIDAs)* – refer to communities/areas which are specifically disadvantaged due to the presence of both physical (refers to characteristics that limit the delivery of and/or access to basic health services to communities that are difficult to reach due to distance, weather conditions, and transportation difficulties) and socio-economic (refers to social, cultural, and economic characteristics of the community that limit access to and utilization of health services) factors.
- 5.2 *HMO provider* – refers to a juridical entity legally organized to provide or arrange for the provision of pre-agreed or designated health care services to its enrolled members for a fixed pre-paid fee for a specific period of time.
- 5.3 *HMO-type product* – refers to an agreement issued on individual/family or group basis approved pursuant to Insurance Commission (IC) Circular Letter No. 2017-19 and issued by duly licensed HMO companies by the IC.

## 6.0 Rates of the Medical Allowance

- 6.1 For FY 2025, the Medical Allowance for full-time service of government personnel shall not exceed **₱7,000** per annum.

For each subsequent year, the Medical Allowance shall not exceed the amount authorized under the pertinent general provisions in the annual General Appropriations Act (GAA).

- 6.2 The Medical Allowance per annum for part-time service shall be in direct proportion to the Medical Allowance for full-time service.

For example, the Medical Allowance for part-time service in FY 2025 shall be computed as follows:

$$\text{Medical Allowance (Part-Time Service)} = (\text{₱7,000}) \times \frac{(\text{hours of part-time service/day})}{8 \text{ hours of full-time service}}$$

If employed on a part-time basis with two (2) or more agencies, an employee shall be entitled to proportionate amounts corresponding to the services in each agency, provided that the total Medical Allowance shall not exceed the authorized amount.

## **7.0 Forms and Other Details of the Medical Allowance**

- 7.1 The Medical Allowance may be granted in the following forms:

- 7.1.1 In the form of HMO-type product coverage, which could be availed by either (i) government agencies concerned or (ii) their respective employees' organizations/groups.

Such arrangement, however, is without prejudice to the preference of employees to opt out from such group purchase, and individually avail of another HMO product.

- 7.1.2 In cash form for those who will (i) avail their own or (ii) pay/renew their existing HMO-type benefit.

- 7.1.3 In cash form for those who paid their medical expenses, such as but not limited to hospitalization, emergency care, diagnostic tests, and medicines, due to the difficulty in acquiring HMO-product in view of the following:

7.1.3.1 Their localities/communities are identified as GIDA, as certified by the head of agency;

7.1.3.2 Their localities have no adequate HMO branch or office of a licensed HMO company, as certified by the head of agency; or

7.1.3.3 Application of the personnel concerned in acquiring HMO coverage has been denied by an HMO company.

- 7.2 In case an employee opts to continue his/her existing HMO product, the Medical Allowance shall be spent thereto provided that it will cover the fiscal year, in whole or in part, when the allowance was granted.

- 7.3 In cases where the HMO-type product availed is below the rate of P7,000 Medical Allowance, the government employee shall not be obligated to refund the excess amount to the government.

## **8.0 Conditions and Guidelines on the Grant of Medical Allowance**

The grant of the Medical Allowance shall be subject to the following conditions and guidelines:

- 8.1 The civilian personnel are occupying regular, contractual, or casual positions.
- 8.2 The personnel are already in the government service and are to render services for at least a total or an aggregate of six (6) months of service in a particular fiscal year, including leaves of absence with pay, as well as those services rendered under any of the alternative work arrangements prescribed by the Civil Service Commission.
- 8.3 A newly-hired employee may qualify for the grant of the Medical Allowance after rendering six (6) months of service.
- 8.4 For Transferred Employee:
- 8.4.1 An employee who transferred to another agency and was not granted Medical Allowance by the former agency shall be granted Medical Allowance by the new agency, subject to the submission of a certification to the effect.
- 8.4.2 An employee who transferred to another agency within the year but was earlier granted Medical Allowance by the previous agency shall no longer be granted Medical Allowance by the new agency.
- 8.5 The Medical Allowance of an employee on detail to another government agency shall be granted by the mother agency, while those on secondment shall be paid by the recipient agency.
- 8.6 A compulsory retiree, whose services have been extended, may be granted the Medical Allowance, subject to the pertinent conditions and guidelines under this Circular.
- 8.7 Those who are formally charged with administrative and/or criminal cases, which are still pending for resolution, shall be entitled to Medical Allowance until found guilty by final and executory judgement, provided that:
- 8.7.1 Those found guilty shall not be entitled to Medical Allowance in the year of finality of the decision.

The personnel shall refund the Medical Allowance received for that year.

8.7.2 If the penalty imposed is only a reprimand, the personnel concerned shall be entitled to Medical Allowance.

8.8 For employees on Study Leave or Study/Training/Scholarship Grant

8.8.1 An employee on study leave or on study/training/scholarship grant, whether locally or abroad, shall be entitled to the grant of Medical Allowance for the year if he/she renders at least six (6) months of service in the same year, including leaves of absence with pay, prior to and/or after the study leave or study/training/scholarship grant.

8.8.2 If an employee is on study/training/scholarship grant for the entire year, whether locally or abroad, he/she is not entitled to the Medical Allowance.

8.9 Pursuant to Revenue Memorandum Circular No. 107-2024 of the Department of Finance-Bureau of Internal Revenue, the authorized Medical Allowance granted under EO No. 64, s. 2024 falls under the "*de minimis*" benefit contemplated in Section 2.78.1(A)(3) of Revenue Regulations (RR) No. 2-98, as amended.

Such being the case, the Medical Allowance and/or the actual premium paid to HMO providers in compliance with EO No. 64, s. 2024 is **exempt from income tax** and consequently, to withholding tax pursuant to Section 2.78.1(A)(3) of RR No. 2-98, as amended.

## 9.0 Fund Sources

9.1 For NGAs, including SUCs, the amount required for the grant of the Medical Allowance shall be charged against the available PS allotments of the respective agencies.

In case of deficiency, the amount required may be charged against the Miscellaneous Personnel Benefits Fund and any other available appropriations under the annual GAA, subject to budgeting, accounting, and auditing rules and regulations.

9.2 For covered GOCCs, the amount required shall be charged against their respective approved corporate operating budgets (COB) for a particular fiscal year. Should the identified funding source prove to be insufficient to cover the full amount, a lower but uniform

amount shall be granted to all qualified employees of the concerned GOCC.

## **10.0 Medical Allowance for LGU Officials and Employees**

The grant of the Medical Allowance to employees in LGUs, including those in the barangays, shall be determined by their respective *sanggunians* depending on the LGU's financial capability, at a uniform rate not exceeding Seven Thousand Pesos (₱7,000) each per annum, subject to the following conditions:

- 10.1 The Medical Allowance shall be charged against their respective local government funds, subject to the PS limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of RA No. 7160 or the Local Government Code (LGC) of 1991.

The grant of the Medical Allowance shall be authorized through an appropriation ordinance to be enacted by the *Sangguniang Panlalawigan/Panlungsod/Bayan/Barangay* concerned and that the changes in the annual budget of the LGUs may be allowed through supplemental budgets under the specified circumstances pursuant to Section 321 of the LGC and Article 417 of its Implementing Rules and Regulations (IRR), as amended by Administrative Order No. 47 dated April 12, 1993, or through augmentation pursuant to Section 336 of the LGC and Article 454 of its IRR.

- 10.2 The guidelines on the grant of the Medical Allowance provided in this Circular shall be adhered to and the pertinent budgeting, accounting, and auditing laws, rules, and regulations.
- 10.3 In determining the amount of the Medical Allowance, the *sanggunians* shall exercise prudence and judicious use of government funds, ensuring that the expenditure is reasonable and will not, in any way, adversely affect the delivery of services to the public.

Should the identified funding source prove insufficient to cover the maximum allowable rate of the Medical Allowance, a lower but uniform amount shall be granted to all qualified officials and employees of the LGU.

- 10.4 The appropriation for Medical Allowance shall be subject to the usual local budgeting process.

### **11.0 Medical Allowance for Officials and Employees in LWDs**

LWDs may also grant the Medical Allowance to their employees at a uniform rate to be determined by their Boards of Directors (BOD), which shall not exceed Seven Thousand Pesos (P7,000) each, chargeable only against their respective BOD-approved COBs, subject to the conditions and guidelines set in this Circular.

Should the identified funding source be insufficient to cover the maximum allowable rate of the Medical Allowance, a lower but uniform amount shall be granted to all qualified officials and employees of the LWD.

### **12.0 Medical Allowance for Officials and Employees in Agencies Exempted from the Coverage of RA No. 6758, as Amended**

NGAs and GOCCs exempted from the coverage of RA No. 6758, as amended, may also grant the Medical Allowance to avail of the HMO-type benefits to their employees at a uniform rate to be determined by their agency heads or governing boards, which shall not exceed Seven Thousand Pesos (P7,000) each per annum, chargeable against the NGA's available funds and the GOCC's COB for a particular fiscal year, subject to the conditions set forth in this Circular, and to pertinent budgeting, accounting, and auditing laws, rules, and regulations.

Should the identified funding source prove to be insufficient to cover the maximum allowable amount of the Medical Allowance, a lower but uniform amount shall be paid to all qualified employees of the concerned agency or GOCC.

### **13.0 Policy Guidelines for Civilian Officials and Employees Excluded from the Grant of Medical Allowance Under EO No. 64, s. 2024**

For (i) NGAs and GOCCs, whose qualified officials and employees are already receiving HMO-type benefits by virtue of special laws, and (ii) those government entities and offices vested with fiscal autonomy, they may continue their existing practice of providing HMO-type health care services to their entitled personnel **or** grant the Medical Allowance under EO No. 64, s. 2024 to their respective employees to avail of the HMO-type benefits. The funding requirement for the Medical Allowance shall be charged against the NGA's available funds or the GOCC's COB for a particular fiscal year, subject to the conditions set forth in this Circular, and to pertinent budgeting, accounting, and auditing laws, rules, and regulations.

The healthcare benefits of GOCCs excluded under Item 4.3 of this Circular shall be governed by the rules and regulations governing the CPCS, which includes, among others, EO No. 150, s. 2021 and future iterations thereof, and relevant issuances of the GCG.

However, there shall be no instance that officials and employees in said NGAs or GOCCs concerned shall receive both the HMO-type health care services authorized by special laws and the Medical Allowance under EO No. 64, s. 2024 for the same period.

#### **14.0 Reportorial Requirements**

- 14.1 All government personnel, who have been provided with Medical Allowance, shall submit a proof of enrollment with an HMO provider, such as but not limited to (i) certified copy of the HMO agreement or identification card issued by the HMO provider, (ii) certification of membership issued by the HMO provider, or (iii) official receipt for the payment of membership fee for the HMO product acquired.

In case the Medical Allowance is granted in cash form, as provided under Item 7.1.3 hereof, the personnel shall submit documents to support the use of the Allowance for medical expenses, e.g., receipts of the medical services undertaken, subject to the internal guidelines to be issued by the agency concerned.

- 14.2 Each NGA, SUC, GOCC, and LWD shall submit to the DBM's Budget and Management Bureau or Regional Office concerned not later than one (1) month after every fiscal year, the annual report on the grant of the Medical Allowance by following the template in Annex "A."

#### **15.0 Responsibilities of Agencies**

Agencies shall be responsible for the proper implementation of this Circular.

- 15.1 To ensure the achievement of the objectives of the allowance, as well as the judicious and prudent use of government funds, Agencies shall establish and issue their respective internal implementing rules, guidelines, and/or procedures on the release, use, and monitoring of the Medical Allowance, subject to the guidelines and limitations prescribed in this Circular.
- 15.2 Agencies shall be held liable for any grant of the Medical Allowance not in accordance with the provisions of this Circular, without prejudice, however, to the refund by the employees concerned of any excess or undue payments.

## **16.0 Resolution of Cases**

Cases not covered by the provisions of this Circular shall be referred to the DBM for resolution.

## **17.0 Effectivity**

This Circular shall take effect on January 1, 2025.

  
**AMENAH F. PANGANDAMAN**  
Secretary



**ANNEX A**

**Report on the Grant of the Medical Allowance for FY 2025**

**Department/Agency:** \_\_\_\_\_

**I. Total Amount Paid for the Medical Allowance:**

**A. Number of Qualified Personnel:**

i. Civilian personnel:	X X X
ii. Contractual personnel:	X X X
iii. Casual personnel:	X X X
<b>Total No. of Qualified Personnel:</b>	<b>X X X</b>

**B. Rate of Medical Allowance:** X X X

**C. Total Amount Paid:** X X X

**II. Form of Medical Allowance**

**Procurement by Agency**

Name of HMO-Provider:	X X X
Unit Price of HMO-Type Benefit:	X X X
Total No. of Qualified Personnel:	X X X
Civilian personnel:	X X X
Contractual personnel:	X X X
Casual personnel:	X X X

**Procurement by Employees' Organizations/Groups**

Name of HMO-Provider:	X X X
Unit Price of HMO-Type Benefit:	X X X
Total No. of Qualified Personnel:	X X X
Civilian personnel:	X X X
Contractual personnel:	X X X
Casual personnel:	X X X

**In Cash Form**

**Availed New HMO-type Benefit**

Total No. of Qualified Personnel:	X X X
Civilian personnel:	X X X
Contractual personnel:	X X X
Casual personnel:	X X X

**Payment of Existing or Renewed HMO-type Benefit**

Total No. of Qualified Personnel:	X X X
Civilian personnel:	X X X
Contractual personnel:	X X X

Casual personnel: x x x

**Localities Identified as GIDA**

Total No. of Qualified Personnel: x x x

Civilian personnel: x x x

Contractual personnel: x x x

Casual personnel: x x x

**Localities Which Have No Adequate HMO Branch or Office**

Total No. of Qualified Personnel: x x x

Civilian personnel: x x x

Contractual personnel: x x x

Casual personnel: x x x

**Application of Personnel Denied by HMO Company**

Total No. of Qualified Personnel: x x x

Civilian personnel: x x x

Contractual personnel: x x x

Casual personnel: x x x

**Submitted by:**

**Certified Correct:**

\_\_\_\_\_  
**Head, Finance/Administrative Unit**

\_\_\_\_\_  
**Agency Head**

## ***Illustrative Examples***

**Example A:** Mr. Carlo Centeno was appointed as an Administrative Aide IV/SG-4 position in a national government agency on January 1, 2019. After six (6) years of government service, he tenders his resignation effective May 1, 2025.

***Mr. Centeno is no longer entitled to the Medical Allowance as he will not be able to complete the six (6) months of service required for the year.***

**Example B:** Ms. Precious Lazaro assumed her position as Administrative Officer I/SG-10 in Agency A on April 15, 2025.

Pursuant to Section 31, Chapter 8, Book I of Executive Order No. 292 (*Administrative Code of 1987*) on the definition of legal periods<sup>6</sup>, one (1) month equals 30 days, six (6) months equals 180 days, and twelve (12) months equals 360 days.

***Assuming Ms. Lazaro will not incur any leave of absence without pay until December 31, 2025, she will have 260 days of actual service. Accordingly, Ms. Lazaro is entitled to the Medical Allowance for FY 2025.***

<i>April = 15 days</i>	<i>July = 31 days</i>	<i>October = 31 days</i>
<i>May = 31 days</i>	<i>August = 31 days</i>	<i>November = 30 days</i>
<i>June = 30 days</i>	<i>September = 30 days</i>	<i>December = 31 days</i>

**Example C:** Mr. Michael Amor will compulsory retire on June 10, 2025 when he reached 65 years old and has rendered at least 29 years of government service.

***Mr. Amor may no longer be entitled to the grant of the Medical Allowance as he will not be able to complete the required six (6) months of service for the year.***

**Example D:** Ms. Jennylyn Fuentes was hired on a contractual basis for a period of six (6) months beginning July 1, 2024. Thereafter, she was appointed to a regular position, effective January 1, 2025.

***Ms. Fuentes may be entitled to the grant of the Medical Allowance, provided she will render at least six (6) months of service within FY 2025.***

---

<sup>6</sup>Section 31. Legal Periods. - "Year" shall be understood to be twelve calendar months; "month" of thirty days, unless it refers to a specific calendar month in which case it shall be computed according to the number of days the specific month contains; "day," to a day of twenty-four hours; and "night," from sunset to sunrise."

**Example E:** Mr. Pol Perocho was appointed to a regular position and assumed his post on January 15, 2025. He eventually resigned after more than five (5) months of service, effective June 20, 2025.

***Mr. Perocho may no longer be entitled to the grant of the Medical Allowance as he will not be able to complete the required six (6) months of service for the year.***



**LIST OF HEALTH MAINTENANCE ORGANIZATIONS  
 WITH CERTIFICATES OF AUTHORITY  
 ISSUED BY THE INSURANCE COMMISSION  
 As of 31 December 2025**

NAME	LIC. NO
1. Asalus Corporation	HMO-2023-06-R
2. Asiancare Health Systems, Inc.	HMO-2024-01-R
3. Avega Managed Care, Inc.	HMO-2023-05-R
4. Carewell Health Systems, Inc.	HMO-2023-09-R
5. Cooperative Health Management Federation	HMO-2024-03-R
6. Dynamic Care Corporation	HMO-2023-20-R
7. EastWest Healthcare, Inc.	HMO-2023-14-R
8. Forticare Health Systems International, Inc.	HMO-2025-01-R
9. Getwell Health System, Inc. <sup>1</sup>	HMO-2023-13-R
10. Health Care and Development Corporation of the Philippines	HMO-2024-04-R
11. Health Delivery System, Inc.	HMO-2024-06-R
12. Health Maintenance, Inc.	HMO-2023-02-R
13. Health Plan Philippines, Inc.	HMO-2023-04-R
14. IMS Wellth Care, Inc.	HMO-2023-01-R
15. Insular Health Care, Inc.	HMO-2023-03-R
16. Kaiser International Healthgroup, Inc.	HMO-2023-08-R
17. Life & Health HMP, Inc.	HMO-2023-16-R
18. Maxicare Healthcare Corp.	HMO-2023-07-R
19. Mediacard Philippines, Inc.	HMO-2023-12-R
20. Medicare Plus, Inc.	HMO-2023-21-R
21. Medocare Health Systems, Inc.	HMO-2023-17-R
22. Metrocare Health Systems, Incorporated	HMO-2023-11-R
23. MI Healthcare Inc.	HMO-2024-05-O
24. Optimum Medical and Healthcare Services Inc.	HMO-2023-19-R
25. Pacific Cross Health Care, Inc. <i>(Formerly: Blue Cross Health Care, Inc. - name change effective 1 January 2016)</i>	HMO-2023-10-R
26. PhilhealthCare, Inc.	HMO-2023-15-R
27. Value Care Health Systems, Inc.	HMO-2023-18-R
28. Wellcare Health Maintenance Inc.	HMO-2024-02-R

<sup>1</sup> With Cease and Desist Order dated 13 May 2025 and Conservatorship Order dated 13 May 2025.

