



OFFICE OF THE MUNICIPAL MAYOR

EXECUTIVE ORDER NO. 63

Series of 2025

GUIDELINES FOR THE IMPLEMENTATION OF RULES AND REGULATIONS ON THE GRANT OF MEDICAL ALLOWANCE TO ALL PERMANENT EMPLOYEES AND CIVILIAN GOVERNMENT PERSONNEL OF THE LOCAL GOVERNMENT UNIT OF BAYAMBANG, PANGASINAN

I. Background

Pursuant to Executive Order No. 64, s. 2024, Section 7, and Budget Circular No. 2024-6, the grant of a Medical Allowance, beginning FY 2025, is authorized in an amount not exceeding Seven Thousand Pesos (Php 7,000) per annum for each qualified government civilian personnel as a subsidy to avail of Health Maintenance Organization (HMO)-type benefits.

HMO-type benefits provide members with accessible, affordable, and coordinated healthcare services, leading to improved health outcomes and financial predictability.

The Department of Budget and Management has stipulated that Medical Allowance shall be categorized under the Standard Allowances and Benefits component of the Total Compensation Framework, as embodied in Congress Joint Resolution No. 4, s. 2009, and Republic Act No. 11466, pursuant to Executive Order No. 64, Section 7.

II. Purpose

These guidelines are issued to serve as internal policy and reference for the provision of the Medical Allowance to local government employees, intended to subsidize their availment of Health Maintenance Organization (HMO)-type benefits.

III. Scope

Qualified government employees must hold permanent status and be between 18 to 65 years of age. The grant of Medical Allowance to permanent employees is subject to the following conditions and guidelines:

1. Employees are occupying regular positions, contractual, or casual positions.
2. Employees are already in the government service and are to render service for at least a total or an aggregate of six months of service in a particular fiscal year, including leaves of absence with pay, as well as those services rendered

"Baley ko, Pawilen ko, Aroen ko, tan Tulungan ko"



THE LONGEST BARBEQUE
8.016 KILOMETERS
April 4, 2014
Bayambang, Pangasinan, Philippines



THE TALLEST BAMBOO SCULPTURE (Supported)
50.23M
April 5, 2019
St. Vincent Ferrer Prayer Park
Barangay Bani, Bayambang
Pangasinan, Philippines

OFFICE OF THE MAYOR
Municipal Hall, Roxas St. Zone II,
Bayambang, 2423 Pangasinan
(075) 633-1000 Loc. 100
mayorsoffice@bayambang.gov.ph



under any of the alternative work arrangements prescribed by the Civil service commission.

3. A newly promoted employee (casual or permanent) may qualify for the grant of medical allowance after rendering 6 months of service.
4. For the employee on study leave/trainings, whether locally or abroad shall be entitled to the grant of medical allowance for the year if she/he renders at least 6 months of service in the same year, including leaves of absence with pay, prior to or after the study leave.
5. Although officials and employees of the Vice-Mayor's Office and Sangguniang Bayan Office are performing legislative functions, they do not have fiscal autonomy, hence, shall receive Medical Allowance.
6. Pursuant to Revenue Memorandum Circular No. 107-2024 of the Department of Finance-Bureau of Internal Revenue, the authorized Medical Allowance granted under E.O. 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.
7. Such being the case, the Medical Allowance and/or the actual premium paid to HMO providers in compliance with E.O. 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.

IV. Exclusions

The following are excluded from coverage of these guidelines:

- 4.1 Local government unit officials and employees who are already receiving HMO-based health care services by virtue of special laws or those enjoying HMO-type packages provided through prior government benefits;
- 4.2 Those hired without employer-employee relationships and funded from non-Personnel Services (PS) appropriations/ budget, as follows:
 - 4.2.1. Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
 - 4.2.2. Laborers hired through job contracts (*pakyaw*) and those paid on piecework basis;
 - 4.2.3. Student laborers and apprentices;
 - 4.2.4. Individuals and groups of people whose services are engaged through job orders, contract of service, or others similarly situated;
 - 4.2.5. Regular and casual employees whose compulsory retirement date will be from January 1 to June 30;
 - 4.2.6. Casual employees and contractual employees whose services are expected to discontinue before the completion of 6 months;
 - 4.2.7. Regular, contractual and casual employees who are expected to resign or transfer, hence, will not be able complete the six (6)-month minimum period to avail the Medical Allowance.

V. Definition of Terms

- 51. 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;
- 52. HMO – type product** – refers to an agreement issued on individually/ 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;
- 53. Full-time service employee** – refers to the employee of the local government who is required to render a standard work schedule of at least 8-hours a day for 5 days or an equivalent of 40 hours per week, signifying their full commitment to the job;
- 54. Part-time service employees** – refers to the employee of the local government who renders four (4) hours of work, five (5) days a week or a total of 20 hours a week;
- 55. Medical services** – are preventive and curative services provided by licensed doctors and diagnostics personnel such as but not limited to medical technologists, radiologists, and sonologists;
- 56. Drugs and medicines** – any substance other than food that is used to prevent, diagnose, treat, cure or relieve the symptoms, cause and impact of a sickness, ailment, disease, disorders or abnormalities;
- 57. Medical supplies and equipment** – an article, instrument, apparatus or machine that is used in the prevention, diagnosis or treatment of illness or disease, or for detecting, measuring, restoring, correcting or modifying the structure or function of the body for some health purpose.

VI. Rates of the Medical Allowance

- 6.1. For the FY 2025, the Medical Allowance for full-time service of government personnel shall be ₱7,000.00 per annum;
- 6.2. For each subsequent year, the Medical Allowance shall not exceed the amount authorized under the Approved Annual Budget and Annual Investment Program (AIP);
- 6.3. 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 other government organization or agencies, an employee shall be entitled to proportionate amounts corresponding to the services in each organization or agency, provided that the total Medical Allowance shall not exceed the authorized amount.

VII. Forms and Other Details of the Medical Allowance

7.1. The Medical Allowance shall be provided in the form of HMO-type product coverage, which may be availed annually.

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 ₱ 7,000.00 Medical Allowance, the local government employee shall not be obligated to refund the excess amount to the government.

7.4. The Medical Allowance shall be granted through cash 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 (see Section XI for the complete list of eligible expenses). The reimbursement must be within 7 days after hospitalization.

VIII. Benefits and Coverage

All medical benefits can be availed at any hospital or clinic affiliated. The HMO provider should have numerous accredited hospitals and clinics located in Bayambang or in other areas within Pangasinan.

All benefits, including confinement, laboratory/diagnostic examinations, outpatient/inpatient services, emergency care, and annual physical examinations, can be billed directly to the service provider if the hospitals or clinics are affiliated with the Company.

However, if the hospitals or clinics are not affiliated with the Company, the insured may settle his or her bills first and then file for reimbursement within 7 days after hospitalization without requiring a Letter of Authorization or approval documents. The insured must, however, present all necessary hospital documents, including the medical abstract with diagnosis, statement of account, and other relevant records, provided there is no existing HMO-type product being paid for by the LGU under the employee's name.

A. Out-Patient Benefits

The following outpatient benefits are provided for the diagnosis and treatment of illness or injury which does not require hospitalization.

1. Preventive Health Care Services

- a. Annual Physical Examination annually (Php 600), includes;
 - Medical History Taking and Physical Examination
 - Chest Xray
 - Complete Blood Count
 - Urinalysis
 - Fecalalysis
- b. Administration of immunization s, including cost of vaccines and serum
- c. Consultation on diet, exercise and other good health habits
- d. Family Planning and counseling
- e. Well baby care at any hospital (cashless or reimbursement) for Insured's unenrolled baby less than three (3) months.
- f. Mental Health Consultation

2. Other Outpatient Services

- a. Consultation
- b. EENT Consultation
- c. Minor Surgery treatment and procedure
- d. Minor wound care
- e. Routine laboratory test and diagnostics needed and necessary for the monitoring of the illness of the Insured.
- f. Pre and Post Natal care and consultation
- g. First of Active Anti-Rabies vaccines and Immunoglobulin if needed anti tetanus immunization, anti-venom up to 5,000.00 per year
- h. Rehabilitation therapy for any disease /illness up to 2,000 per year

B. In-Patients Benefits

1. Hospitalization Benefits

- a. Hospital room/Board up to maximum daily rate of 1,000
- b. Professional Fees
- c. Prescribed drugs and medications needed while confinement
- d. Any Fluids/Blood components
- e. Use of operating/recovery room, ICU, NICU, CCU with a rate of 10,000/year
- f. Routine laboratory examination and diagnostics tests
- g. Use of Oxygen and its administration
- h. All hospital logistics needed (gloves, gauge, plaster, syringes etc.
- i. All procedures need to be done like wound dressing,

C. Maternity Assistance

The insured must be at reproductive age group. Annual maximum payment assistance of Twenty Thousand Pesos (Php 20,000.00) for Normal Delivery, Caesarian Section Procedure or any abnormal pregnancy or surgery related to pregnancy.

D. Benefits for Special Diagnostic Procedures

The Insured shall be entitled to any of the following specialized laboratory examinations and computer diagnostic procedures provided this is upon the request of affiliated Physician from affiliated Hospital or Clinic, except in emergency cases as herein defined.

1. Immunology and Special Laboratory Examinations shall be covered up to 5,000.00/year
2. Standard Diagnostics Test and Procedures/Modalities of treatment such as the following shall be covered per year (single availment):
 - All types of CT scan with or without contrast-5000/year in all types of diseases/illnesses
 - Nuclear Imaging-5000/year
 - Total Body Scan-5000/year
 - Bone Scan, Renal Scan, Pulmonary Scan, Thallium Scan, Thyroid Scan-5000 each/year
 - Stress testing (all types)-5,000/year
 - Echocardiography (all types)-5000/year
 - Fluorescein Angiography of Eye-2,500/eye/year
 - Breast Scintigraphy-5000/breast/year
 - Mammography-5000/breast/year
 - Magnetic Resonance Imaging-3000/year all disease
 - PET scan-5,000/year
 - Laparoscopic, Arthroscopic and endoscopic procedures-5000/year
3. Other Procedures with surgery: The company shall provide coverage of up to a maximum of Twenty Thousand Pesos (20,000.00) for the following procedures;
 - Lithotripsy
 - Arthroscopic Knee surgery
 - Endoscopic Cholecystectomy
 - Endoscopic Sinus Surgery
 - Laparoscopic Pelvic Operation

Process, procedures and forms needed for the availment of all procedures, tests, diagnostics and any modalities of treatment must provide by the affiliated hospital and Company to the Insured.

E. Annual Benefit Limit for Dreaded Diseases

The Company shall cover hospital, medications, and doctor's charges to Insured with dreaded diseases with a maximum of 20,000 per year (Single availment)

1. Lung diseases
2. Renal damage and Failure
3. Cerebrovascular accident
4. Cardiovascular disease
5. Blood Dyscracias
6. Neurologic problem
7. Bone diseases and its complications
8. Collagen and chronic degenerative diseases that need surgery/replacement
9. Malignant Growth
10. Brain diseases and its complications
11. Burns 2nd, 3rd and 4th degree
12. Spinal cord injury and its complications
13. Immunocompromised condition
14. Nosocomial Infection
15. All vascular and neurologic degenerative complications
16. Metabolic disease
17. Reproductive diseases
18. Gastrointestinal Diseases

F. Motor Vehicle Accident Benefit Limit

Medical and hospital services are extended to an Insured in cases of injuries cause arising from vehicular accident will be covered to a maximum of Twenty Thousand Pesos (20,000) whether it is cashless or by reimbursement.

IX. Fund Source and Appropriation

The Medical Allowance of authorized local government employees shall be granted based on the availability of funds, however, a uniform rate not exceeding Seven Thousand Pesos (P7,000.00) each per annum, subject to the following conditions:

- 9.1. The Medical Allowance is subject to the PS limitation pursuant to Section 325 (a) and 331 (b) of R.A. No. 7160 or the Local Government Code (LGC) of 1991

The grant of Medical Allowance shall be allowed through an appropriation ordinance to be enacted by the Sangguniang Bayan and that the changes in the approved annual budget 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;

- 9.2. The guidelines on the grant of the Medical Allowance provided in DBM Budget Circular 2024 – 6 dated December 12, 2024, shall be adhered to and the pertinent budgeting, accounting, and auditing laws, rules, and regulations.
- 9.3. The availability of appropriation for permanent employees does not automatically guarantee the same for casual employees, as the budget for casual personnel is typically sourced from savings generated from unfilled positions.
- 9.4. For newly vacated positions that have been immediately filled, the successor will no longer be eligible to receive the medical allowance, as it has already been utilized by the previous employee.
- 9.5. Employees who are promoted from casual to permanent status or to a higher position will not be eligible to receive the medical allowance for the new position if they have already claimed it under their previous position.

X. Reportorial Requirements

- 10.1. All government personnel, who have been provided with medical allowance, shall submit a proof of enrolment issued by HMO provider.
- 10.2. In case the Medical Allowance is granted in cash form due to the hospital or clinic is not affiliated, the personnel shall submit the documents to support the use of Allowance for medical expenses like, receipts of medical services undertaken, Medical Abstracts, Hospital records, statement of accounts, subject to the internal guidelines to be issued by the agency concerned.

XI. Responsibilities of Offices

- 11.1 The Department Heads shall submit to the Human Resource and Management Office (HRMO) a list of employees under their department who have existing HMO-type product coverage or benefit;
- 11.2 The Human Resource Management Office shall be responsible in checking the eligibility of employees who are entitled to receive Medical Allowance considering their status of appointment, length of service, place of work and other availment requirements pursuant to Budget Circular 2024 – 6 dated December 12, 2024;
- 11.3 For reimbursement, the HRMO shall take charge in preparing and submitting the documents to support the use of allowance for medical expenses to the Office of the Municipal Budget Officer, Office of the Municipal Treasurer and Office of the Municipal Accountant for processing and payment. Also, they shall ensure that all documentary requirements are correctly and completely attached to the voucher;

- 11.4 The HRMO shall be held liable for any grant of Medical Allowance made contrary to this Order and Budget Circular 2024-6 dated December 12, 2024, without prejudice to the obligation of the employee concerned to refund any disallowed amount.

XII. Resolution of Cases

Cases not covered by the provision of this Order shall be referred to the Sangguniang Bayan and Municipal Legal Office of Municipality of Bayambang for resolution.

XIII. Updating and Review

The guidelines under this Executive Order shall be periodically reviewed and updated, as necessary, in accordance with the Budget Circular 2024-6 dated December 12, 2024, and other subsequent policies on the matter.

XIV. Repeal

Internal rules on Medical Allowance and other issuances, orders, rules and regulations or parts thereof which are inconsistent with the provision of this Order are hereby revised, modified, and/ or repealed accordingly.

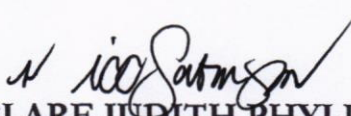
XV. Separability

If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

XVI. Effectivity

These guidelines shall take effect immediately upon issuance.

SO ORDERED this 10th day of July, 2025 in Bayambang, Pangasinan.


MARY CLARE JUDITH PHYLLIS JOSE-QUIAMBAO
Municipal Mayor

