Item No.: 05

Date: 03 2026 NOV

Republic of the Philippines
PROVINCE OF LEYTE
Provincial Capitol
Tacloban City

-oOo-

PROVINCE OF LEYTE
LEGAL OFFICE
RELEASED
By:
Date:

PROVINCIAL LEGAL OFFICE

Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: OCT 30 2026
By:

2nd INDORSEMENT
August 25, 2026

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through the SP Secretary, the attached Ordinance No. 2026-12 of the Sangguniang Bayan of Tanauan, Leyte.

REVIEW/RECOMMENDATION/LEGAL OPINION:

This office is of the opinion that the subject Ordinance is generally in accordance with its power under Section 447(a)[1] of the Local Government Code of 1991 (R.A 7160). Hence, we recommend for the declaration of its validity.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on the facts available and may vary or change when additional facts and documents are presented or changed. This opinion is likewise without prejudice to the opinions rendered by higher and competent authorities and/or the courts.

ATTY. JOSE RAYMUND A. ACOL
Provincial Legal Officer

[1] *(a) The sangguniang bayan, as the legislative body of the municipality, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the municipality and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the municipality as provided for under Section 22 of this Code,*

Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte
-o0o-

OFFICE OF THE SANGGUNIANG PANLALAWIGAN

PROVINCE OF LEYTE
LEGAL OFFICE
RECEIVED
By:
Date: 8.25.26 Time: 9:17

1ST INDORSEMENT
24 August 2026

The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **Ordinance No. 2026-12 of the Municipality of Tanauan, Leyte**, entitled: **An Ordinance establishing the policy of the Municipal Government of Tanauan, Leyte on the implementation of the Medical Allowance for qualified official and employees, recognizing freedom of choice in the selection of Health Maintenance Organization (HMO) Providers and Health Benefit Plans, prescribing Self-Executing Procedure for its administration and for other purposes.**

FLORINDA JILL S. UYVICO
Secretary to the Sanggunian

Republic of the Philippines
Province of Leyte
Municipality of Tanauan
-oOo-

Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: AUG 20 2026
By:

OFFICE OF THE SANGGUNIANG BAYAN

August 19, 2026

THE SECRETARY
Sangguniang Panlalawigan
Province of Leyte
Capitol Building
Palo, Leyte

Sir/Madam;

Respectfully submitting herewith **ORDINANCE NO. 2026-12, "AN ORDINANCE ESTABLISHING THE POLICY OF THE MUNICIPAL GOVERNMENT OF TANAUAN, LEYTE, ON THE IMPLEMENTATION OF THE MEDICAL ALLOWANCE FOR QUALIFIED OFFICIAL AND EMPLOYEES, RECOGNIZING FREEDOM OF CHOICE IN THE SELECTION OF HEALTH MAINTENANCE ORGANIZATION (HMO) PROVIDERS AND HEALTH BENEFIT PLANS, PRESCRIBING SELF PROCEDURE FOR ITS ADMINISTRATION AND FOR OTHER PURPOSES"**, for your appropriate action.

Sponsored by: Hon. Quintin T. Octa, Jr., D.M.D.

Trusting that you will accord this matter with your kindest attention.

Thank You.

Truly Yours,

ATTY. MIAMOR D. NATIVIDAD
OIC-Sangguniang Bayan Secretary

Republic of the Philippines
Province of Leyte
TANAUAN
-o0o-

SANGGUNIANG BAYAN

Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: AUG 20 2026
By:

EXCERPT FROM THE MINUTES OF THE FIFTY - FIFTH (55TH) REGULAR SESSION OF THE 17TH SANGGUNIANG BAYAN OF TANAUAN, LEYTE, HELD ON AUGUST 10, 2026, AT THE SB SESSION HALL, TANAUAN TOWN HALL, TANAUAN, LEYTE.

PRESENT :

HON. ARCHIE LAWRENCE R. KAPUNAN	Municipal Vice-Mayor/Presiding
HON. JAN ELMER V. MAGDALAGA	Sangguniang Bayan Member
HON. MARK CHRISTIAN FERDINAND L. GIMENEZ	-do-
HON. MAE JANE ANGELIE M. MORABE–BORAIS	-do-
HON. CHERRY ANNE T. FIEL	-do-
HON. MARK EFREN E. MERILO	-do-
HON. QUINTIN T. OCTA, JR., D.M.D.	-do-
HON. LAURO A. VILLERO	-do-
HON. EFREN C. MERILO	SB Member/Liga Fed. Pres.
HON. KYLE C. MESIAS	SB Member/SK Fed. Pres.

ABSENT:

HON. JOSIE M. CREER (on leave)	Sangguniang Bayan Member

ORDINANCE NO. 2026 – 12

AN ORDINANCE ESTABLISHING THE POLICY OF THE MUNICIPAL GOVERNMENT OF TANAUAN, LEYTE, ON THE IMPLEMENTATION OF THE MEDICAL ALLOWANCE FOR QUALIFIED OFFICIAL AND EMPLOYEES, RECOGNIZING FREEDOM OF CHOICE IN THE SELECTION OF HEALTH MAINTENANCE ORGANIZATION (HMO) PROVIDERS AND HEALTH BENEFIT PLANS, PRESCRIBING SELF EXECUTING PROCEDURE FOR ITS ADMINISTRATION AND FOR OTHER PURPOSES.

Sponsored by : Hon. Quintin T. Octa, Jr., D.M.D.

BE IT ENACTED BY THE SANGGUNIANG BAYAN OF TANAUAN, LEYTE IN A REGULAR SESSION ASSEMBLED THAT:

WHEREAS, Section 16, Article II of the 1987 Philippine Constitution declares that the State shall protect and promote the right to health of the people and instill health consciousness among them;

WHEREAS, Section 17 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, mandates local government units to promote the general welfare and provide basic services and facilities, including programs and initiatives that promote the health and well-being of their officials, employees, and constituents;

WHEREAS, the Municipal Government of Tanauan, Leyte recognizes that its officials and employees are its most valuable resource and that ensuring their access to quality healthcare contributes to increased productivity, efficiency, and effective public service;

WHEREAS, granting a Medical Allowance in accordance with existing national laws and policies is a means of enhancing the welfare of qualified municipal officials and employees by assisting them in securing appropriate health care coverage;

WHEREAS, recognizing the freedom of qualified officials and employees to choose their preferred Health Maintenance Organization (HMO) provider or health benefit plan promotes fairness, transparency, competition among accredited providers, and allows employees to select the health coverage that best suits their individual and family healthcare needs;

WHEREAS, it is necessary to establish clear policies and self-executing procedures governing the implementation, administration, and disbursement of the Medical Allowance to ensure accountability, efficiency, and compliance with applicable auditing, budgeting, and government accounting rules and regulations;

SECTION 1. Title.

This Ordinance shall be known as the "Medical Allowance Freedom of Choice Ordinance of the Municipality of Tanauan, Leyte."

SECTION 2. Declaration of Policy.

It is hereby declared the policy of the Municipality of Tanauan, Leyte to promote the health and welfare of its officials and employees through the grant of Medical Allowance in accordance with existing laws, rules, regulations, and national government issuances.

The Municipality recognizes that healthcare needs vary among employees and that the public interest is best served by affording qualified personnel reasonable flexibility in selecting health benefit providers while maintaining accountability in the expenditure of public funds.

Accordingly, the Municipality shall respect the freedom of qualified officials and employees to choose their preferred HMO provider or health benefit plan, subject to existing laws and regulations.

SECTION 3. Coverage.

This Ordinance shall apply to all officials and employees of the Municipal Government of Tanauan, Leyte who are entitled to Medical Allowance under existing laws, DBM issuances, Civil Service rules, and other applicable regulations.

SECTION 4. Modes of Availment.

Qualified personnel may avail of the Medical Allowance through any of the following modes:

(a) Enrollment in a group HMO procured by the Municipal Government;

(b) Enrollment in a group HMO arranged through a duly recognized employees' organization or association;

(c) Individual enrollment in any HMO, medical insurance, prepaid health card, or similar health benefit product offered by a provider duly authorized by the appropriate regulatory authority; or

(d) Any other mode subsequently authorized by law or national government issuance.

SECTION 5. Freedom of Choice.

No qualified official or employee shall be compelled to enroll in any HMO, health insurance provider, or health benefit plan selected by the Municipal Government, any employees' organization, or any other entity.

Every qualified employee shall have the right to select his or her preferred provider and mode of availment, subject only to the requirements prescribed by law and applicable regulations.

SECTION 6. Annual Option Period.

(a) From September 1 to September 30 of every year, all qualified personnel shall submit to the Human Resource Management Office (HRMO) their chosen mode of availment for the succeeding calendar year.

(b) The option elected shall remain effective for the succeeding calendar year unless changed pursuant to this Ordinance.

(c) Failure to submit an option form shall be deemed an election to continue the employee's existing mode of availment from the preceding year.

(d) Newly hired, newly appointed, reappointed, or newly eligible personnel shall submit their option form within thirty (30) calendar days from assumption to duty or acquisition of eligibility.

SECTION 7. Change of Option During the Year.

An employee may change his or her elected mode of availment during the calendar year only under the following circumstances:

(a) Expiration, suspension, cancellation, termination, insolvency, closure, or discontinuance of the selected HMO or provider;

(b) Separation and subsequent reemployment in government service;

(c) Merger or consolidation involving the selected provider;

(d) Material reduction of benefits by the selected provider; or

(e) Other analogous circumstances beyond the control of the employee.

SECTION 8. Notice of Annual Option Period.

Not later than August 15 of every year, the HRMO shall issue and post a Notice of Annual Option Period in conspicuous places within municipal government offices and through available electronic means.

SECTION 9. Medical Allowance Option Form.

The HRMO shall maintain a standard Medical Allowance Option Form containing the employee's name, office assignment, preferred mode of availment, preferred provider, and such other information necessary for administration of this Ordinance.

SECTION 10. Documentary Requirements.

Employees electing individual availment shall submit:

(a) Proof of enrollment, renewal, subscription, or membership;

(b) Official receipt, invoice, billing statement, certification of coverage, policy contract, membership certificate, or equivalent proof of availment; and

(c) Other documents expressly required by law, DBM issuances, COA regulations, or other competent authorities.

SECTION 11. Processing of Claims.

(a) The HRMO shall verify submissions within ten (10) working days from receipt.

(b) The Municipal Accounting Office shall process complete and valid claims within ten (10) working days from receipt.

(c) The Municipal Treasurer's Office shall release payments subject to applicable laws, DBM issuances, COA regulations, and future amendments thereto.

SECTION 12. Group HMO Procurement.

The Municipal Government may procure a group HMO plan in accordance with applicable procurement laws, rules, and regulations.

Participation therein shall be strictly voluntary and limited only to employees who expressly elected such option.

SECTION 13. Enrollment Through Employees' Organization or Association.

Qualified officials and employees may enroll in a group HMO plan arranged by a duly recognized employees' organization or association.

For this purpose:

(a) The employees' organization or association may negotiate, organize, facilitate, or administer a group HMO program for its members on a voluntary basis;

(b) The contract for such group HMO program shall be entered into by the employees' organization or association and the HMO provider and shall not constitute a procurement undertaken by the Municipal Government;

(c) Participation in such program shall be purely voluntary and shall not be a condition for entitlement to the Medical Allowance;

(d) Employees participating in such program shall submit proof of enrollment and such supporting documents as may be required under applicable laws, DBM issuances, COA regulations, and this Ordinance;

(e) Payment of premiums, subscriptions, or membership fees may initially be made by the employee, the employees' organization or association, or through such payment arrangement as may be agreed upon between the employee and the employees' organization or association, subject to applicable laws and regulations;

(f) The Municipality shall not be a party to the contract between the employees' organization or association and the HMO provider unless otherwise authorized by law;

(g) Employees participating in such program shall remain entitled to receive the Medical Allowance in the manner authorized by applicable laws, DBM issuances, COA regulations, and future amendments thereto; and

(h) Nothing in this Section shall be construed as authorizing the circumvention of government procurement laws where public funds are directly used to procure HMO services.

SECTION 14. Voluntary Payroll Deduction.

Upon written authorization of the employee concerned, the Municipal Government may facilitate payroll deductions for premiums, subscriptions, membership fees, or similar charges due under an HMO program arranged by a duly recognized employees' organization or association.

The Municipality shall act solely as a collecting and remitting agent and shall not incur any liability arising from:

(a) The terms and conditions of the HMO contract;

(b) The performance or non-performance of the HMO provider;

(c) Denial of claims by the HMO provider;

(d) Quality of healthcare services rendered by accredited hospitals, clinics, physicians, or healthcare professionals; or

(e) Any dispute between the employee, employees' organization or association, and the HMO provider.

SECTION 15. Consolidation of Employee Options.

Not later than October 10 of every year, the HRMO shall submit a consolidated report to the Municipal Mayor, Municipal Budget Officer, Municipal Accountant, Municipal Treasurer, and the Bids and Awards Committee indicating:

(a) Total number of qualified personnel;

(b) Number electing the LGU group HMO;

(c) Number electing individual availment;

(d) Number electing association-arranged HMO coverage;

(e) Estimated funding requirements; and

(f) Other information necessary for budget preparation and procurement planning.

SECTION 16. Annual Appropriation.

The Municipal Government shall provide an annual appropriation for Medical Allowance under a separate and distinct budget item in the Annual Budget, subject to applicable laws and regulations.

SECTION 17. Duties of the Municipal Budget Office.

The Municipal Budget Office shall ensure the inclusion of the required appropriations and funding requirements necessary for implementation.

SECTION 18. Duties of the Human Resource Management Office.

The HRMO shall:

(a) Maintain a registry of employee options;

(b) Receive and evaluate option forms;

(c) Verify documentary requirements;

(d) Monitor compliance;

(e) Maintain employee records; and

(f) Prepare the annual consolidated report required herein.

SECTION 19. Duties of the Municipal Accounting Office.

The Municipal Accounting Office shall examine supporting documents and ensure compliance with accounting and auditing regulations.

SECTION 20. Duties of the Municipal Treasurer's Office.

The Municipal Treasurer's Office shall effect payment and maintain records of disbursements.

SECTION 21. Temporary Default Enrollment for Administrative Purposes.

Where a group HMO has been validly procured by the Municipal Government and the concerned employee has been duly notified thereof, an employee who elects individual availment but fails to submit the required documentary requirements within sixty (60) calendar days from the start of the calendar year may be temporarily enrolled under the LGU group HMO solely to avoid interruption of medical coverage.

Such temporary enrollment shall not constitute a waiver of the employee's right to subsequently complete the documentary requirements and exercise his or her preferred option.

SECTION 22. Continuity of Coverage.

The Municipality shall endeavor to ensure that no qualified employee experiences interruption of medical benefit coverage due to procurement delays, administrative processing, or changes in mode of availment.

SECTION 23. Non-Lapse of Employee Rights.

The failure of the Municipal Government to procure a group HMO shall not prejudice employees who elected individual availment.

Likewise, the failure of an employee to participate in a group HMO shall not be construed as a waiver of entitlement to Medical Allowance.

SECTION 24. Automatic Adoption of National Government Issuances.

Any future increase, decrease, modification, expansion, replacement, suspension, or adjustment of the Medical Allowance authorized by law, DBM issuance, COA regulation, Civil Service issuance, or other competent authority shall automatically form part of this Ordinance without need of further legislative action.

SECTION 25. Authority to Update Administrative Forms.

The HRMO may revise and update forms necessary for implementation provided that no additional substantive requirements are imposed beyond those authorized by law and this Ordinance.

SECTION 26. Administrative Remedies.

Any employee aggrieved by the denial of a claim or application may file a written appeal with the Municipal Mayor within fifteen (15) working days from receipt of notice of denial.

The Municipal Mayor shall resolve the appeal within thirty (30) working days.

SECTION 27. Liberal Construction.

This Ordinance shall be liberally construed in favor of facilitating the grant of Medical Allowance benefits to qualified officials and employees consistent with applicable laws and regulations.

SECTION 28. Compliance with National Laws.

This Ordinance shall be interpreted in harmony with the Local Government Code, DBM Budget Circular No. 2024-6, COA regulations, Civil Service rules, Republic Act No. 12009, and all future amendments and issuances.

SECTION 29. Separability Clause.

If any provision of this Ordinance is declared unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

SECTION 30. Repealing Clause.

All ordinances, resolutions, executive orders, rules, and regulations inconsistent herewith are hereby repealed, amended, or modified accordingly.

SECTION 31. Effectivity.

This Ordinance shall take effect upon compliance with the posting and publication requirements prescribed by law.

ENACTED, this **10th day of August 2026**, by the 17th Sangguniang Bayan of the Municipality of Tanauan, Leyte.

CERTIFIED TRUE AND CORRECT:

ELEUTERIO T. LERIOS
SB Secretary

ATTESTED BY:

HON. ARCHIE LAWRENCE R. KAPUNAN
Vice Mayor/Presiding

HON. JAN ELMER V. MAGDALAGA
SB Member

HON. MARK CHRISTIAN FERDINAND L. GIMENEZ
SB Member

HON. MAE JANE ANGELIE M. MORABE – BORAIS
SB Member

HON. CHERRY ANNE T. FIEL
SB Member

HON. QUINTIN T. OCTA, JR., D.M.D.
SB Member

HON. MARK EFREN E. MERILO
SB Member

HON. LAURO A. VILLERO
SB Member

HON. EFREN C. MERILO
SB Member/Liga Pres.

HON. KYLE E. MESIAS
SB Member/SK Fed. Pres.

APPROVED BY:

HON. MA. GINA E. MERILO
Municipal Mayor
LGU – Tanauan, Leyte

Date: 18 AUG 2026

Republic of the Philippines
Province of Leyte
Municipality of Tanauan
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OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATION

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that ORDINANCE NO. 2026-12, "AN ORDINANCE ESTABLISHING THE POLICY OF THE MUNICIPAL GOVERNMENT OF TANAUAN, LEYTE, ON THE IMPLEMENTATION OF THE MEDICAL ALLOWANCE FOR QUALIFIED OFFICIAL AND EMPLOYEES, RECOGNIZING FREEDOM OF CHOICE IN THE SELECTION OF HEALTH MAINTENANCE ORGANIZATION (HMO) PROVIDERS AND HEALTH BENEFIT PLANS, PRESCRIBING SELF PROCEDURE FOR ITS ADMINISTRATION AND FOR OTHER PURPOSES", have been posted in the bulletin boards at the following: Entrance of the Municipal Hall, Office of the Sangguniang Bayan and Public Market beginning August 18, 2026 and shall remain posted for a minimum of three consecutive weeks.

This certification is issued in compliance with the pertinent provisions of R.A. 7160.

Issued: August 18, 2026

ATTY. MIAMOR D. NATIVIDAD
OIC - Sangguniang Bayan Secretary