WHEREAS, Article XIII, Section 11 of the Constitution provides that the State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost;

WHEREAS, pursuant to Executive Order No. 195 dated August 13, 1994, Filipinos recruited for employment abroad are compulsorily covered by a Medical Care Program ("Medicare"), the funds of which are administered by the Overseas Workers Welfare Administration (OWWA);

WHEREAS, pursuant to a Memorandum of Agreement entered into by and among the OWWA, the Philippine Overseas Employment Administration, the Department of Foreign Affairs, the Social Security System and the defunct Philippine Medical Care Commission, the OWWA performs Medicare functions such as the collection of contributions and the disbursement of funds for benefit payments;

WHEREAS, by virtue of the National Health Insurance Act of 1995 (Republic Act [R.A.] No. 7875), the National Health Insurance Program was established to provide health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines, and the Philippine Health Insurance Corporation (PHIC) was created to, among others, administer the National Health Insurance Program;

WHEREAS, Section 6, Article III of R.A. No. 7875 and Section 6, Rule I, Title III of its Revised Implementing Rules and Regulations provide that all citizens of the Philippines, including Overseas Filipino Workers and their dependents, shall be covered by the National Health Insurance Program;

WHEREAS, there is a need to transfer the Medicare funds and the Medicare functions of the OWWA to the PHIC.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Coverage. - Pursuant to Section 6, Article III of R.A. No. 7875 and Section 6, Rule I, Title III of its Revised Implementing Rules and Regulations, all Overseas Filipino Workers and their dependents shall be covered by the National Health Insurance Program.

SECTION 2. Transfer of Medicare Funds of the OWWA. - The Medicare Funds being administered by the OWWA shall be transferred to the PHIC within sixty (60) days from the effectivity of this Executive Order.

SECTION 3. Transfer of Medicare Functions of the OWWA. - The functions of the OWWA relative to its Medicare operations are hereby transferred to the PHIC.
SECTION 4. Implementing Rules. - The PHIC, in consultation with the OWWA, shall promulgate the Implementing Rules for this Executive Order which shall state the mechanics of the transfer of the Medicare Funds and Medicare functions, and include rules on the absorption by the PHIC of the personnel of the Medicare operations of the OWWA.

SECTION 5. Repeal. - Executive Order No. 195 dated August 13, 1994 is hereby modified accordingly. All orders, rules, regulations and issuances, or parts thereof, which are inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 6. Effectivity. - This Executive Order shall take effect immediately upon approval.

City of Manila, FEB 14, 2003

By the President:

(Sgd.) GLORIA M. ARROYO

(Sgd.) ALBERTO G. ROMULO

Executive Secretary

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