



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila



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DEPARTMENT ORDER)

NO. 149)
Series of 2025)

SUBJECT: Guidelines on the Grant of Medical Allowance to DPWH Personnel

8/7/2025

In view of the grant of Medical Allowance, which serves as a subsidy for government personnel to avail of health maintenance organization (HMO)-type benefits to safeguard their health and welfare, and pursuant to the Department of Budget and Management Budget Circular No. 6, series of 2024, entitled "Rules and Regulations on the Grant of Medical Allowance to Civilian Government Personnel," the following guidelines on the grant of medical allowance are hereby prescribed:

I. SCOPE AND COVERAGE:

All DPWH employees occupying regular and contractual positions are covered in this Order.

II. AMOUNT OF MEDICAL ALLOWANCE

The amount of medical allowance shall not exceed Php 7,000 per year, and is exempt from income tax.

III. CONDITIONS AND GUIDELINES ON THE GRANT OF MEDICAL ALLOWANCE

In accordance with Section 8 of DBM Budget Circular No. 2024-6, the grant of Medical Allowance shall be subject to the following conditions and guidelines:

1. The employee must be 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.
2. A newly-hired employee may qualify for the grant of the Medical Allowance after rendering six (6) months of service.
3. For Transferred Employees:
 - 3.1 An employee who transferred to the DPWH and was not granted Medical Allowance by the former agency shall be granted Medical Allowance by the DPWH, subject to the submission of a certification to that effect issued by the former agency.
 - 3.2 An employee who transferred to the DPWH within the year but was earlier granted Medical Allowance by the previous agency shall no longer be granted Medical Allowance by the DPWH.

4. Medical Allowance of an employee on detail to another government 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. An employee who is formally charged with administrative or criminal case, which are still pending for resolution, shall be entitled to Medical Allowance until found guilty by final and executory judgement, provided that:
 - 6.1 The personnel 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.
 - 6.2 If the penalty imposed is only a reprimand, the personnel concerned shall be entitled to Medical Allowance.
7. For employees on Study Leave or Study/Training/Scholarship Grant:
 - 7.1 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.
 - 7.2 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.

IV. FORMS OF THE GRANT OF MEDICAL ALLOWANCE

1. In accordance with Section 7 of DBM Budget Circular No. 2024-6, the medical allowance may be granted in the following forms:

- a. **In the form of HMO-type product** – employees may avail an HMO-type product coverage offered by the Department through the DPWH – Employees Union (DPWH-EU).

The concerned Employees Union shall evaluate and recommend an HMO provider to the Secretary for the Central Office, and to Regional Director for the Regional Offices, for approval. The recommendation shall be supported by guidelines and criteria for evaluation, including a comparative analysis of at least two (2) HMO providers.

The maximum amount of premium to be offered and granted to employees shall be Php 7,000 per year. Employees who wish to avail a premium that is higher than Php 7,000 shall pay the excess amount in one-time payment to the HMO provider through the DPWH-EU.

- b. **In cash form** – employees may avail their own or pay/renew their existing HMO-type benefit.



- c. In cash form** – employees who paid their medical expenses but not limited to hospitalization, medicines, diagnostic tests, laboratory test, due to difficulty in acquiring HMO-type product in view of the following reasons:
- i. Their localities/communities are identified as GIDA (Geographically Isolated and Disadvantaged Areas), supported with certification;
 - ii. Their localities have no adequate HMO branch or office of a licensed HMO company, supported with certification;
 - iii. Application of the personnel concerned in acquiring HMO coverage has been denied by an HMO company, supported with any proof to that effect.
2. The issuance of certification for Items IV.1.c.i.-c.ii is hereby delegated to the concerned authorities specified in item V of this Order.
 3. 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.
 4. In cases where the HMO-type product availed is below the rate of Php 7,000 Medical Allowance, the employee shall not be obligated to refund the excess amount to the government.

V. PROCESS AND REQUIREMENTS FOR THE GRANT OF MEDICAL ALLOWANCE

The grant of Medical Allowance shall follow the following process and submission of documentary requirements:

Form of Medical Allowance	Process of Payment	Documentary Requirements
In the form of HMO-type product availed through the DPWH-EU.	The DPWH-EU shall provide a list of employees enrolled in the HMO provider, to the HRMD, HRAS for Central Office and Administrative Division for Regional Offices. The payment shall be processed through generated payroll, payable to the HMO provider.	List of employees enrolled in the HMO provider, submitted by the DPWH-EU.
In cash form for employees who availed their own or renewed their existing HMO-type plan outside DPWH.	Heads of Offices shall submit their list of personnel who availed HMO-type product on their own, to the HRMD, HRAS for Central Office and Administrative Division for Regional Office.	List of employees with existing HMO coverage or employees who availed HMO coverage outside DPWH, certified by Designated Administrative Officer, and signed by the Head of Office, with attached proof of



	The payment of Medical Allowance shall be processed through generated payroll to be credited to the employee's payroll account.	<p>enrollment, in any of the following:</p> <ol style="list-style-type: none"> 1. Certified copy of HMO agreement/identification card issued by HMO company with document showing the validity period; 2. Certification of membership issued by HMO provider; 3. Official receipt for the payment of membership fee of HMO product acquired.
<p>In cash form for employees who paid their medical expenses but not limited to hospitalization, medicines, diagnostic tests, laboratory test, due to difficulty in acquiring HMO-type product in view of the following reasons:</p> <ol style="list-style-type: none"> a. For employees under localities/communities identified as GIDA; b. For employees with no adequate HMO branch or office of a licensed HMO company; c. For employees whose HMO-type product application have been denied by an HMO company. 	The payment for medical allowance amounting to Php 7,000 shall be processed through voucher.	<p>Documents that will support the use of medical allowance is for medical expenses such as receipts of medical services and:</p> <ol style="list-style-type: none"> 1. Certification signed by HRAS Director for Central Office and the Regional Director for Regional Offices, stating that the employee's locality/community is identified as GIDA, supported with Barangay Certificate; or 2. Certification signed by HRAS Director for Central Office and the Regional Director for Regional Offices, stating that the employee's locality has no adequate HMO or office of a licensed HMO company, supported with Barangay Certificate; or 3. Any document as proof of denied application of acquiring an HMO-type product, issued by the HMO provider.



VI. FUND SOURCES

The amount required for the grant of Medical Allowance for DPWH employees shall be charged against available PS allotments.

VII. REPORTORIAL REQUIREMENTS

An annual report on the grant of Medical Allowance shall be submitted to the concerned Department of Budget and Management's Bureau or Regional Office not later than one (1) month after every fiscal year.

VIII. EFFECTIVITY

This Order shall take effect immediately.


MANUEL M. BONOAN
Secretary

Department of Public Works and Highways
Office of the Secretary



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