

# [ PRESIDENTIAL DECREE NO. 408, March 06, 1974 ]

## PROVIDING FOR AD INTERIM MEDICARE COVERAGE FOR GOVERNMENT RETIREES

**WHEREAS**, the Government realizes and recognizes that the limited life pensions of some government retirees are hardly sufficient for their requirements;

**WHEREAS**, the Philippine Government Retirees Association, Incorporated, has petitioned that they be covered free of charge under Program I of Republic Act No. 6111, otherwise known as the Philippine Medicare Act of 1969;

**WHEREAS**, retired government employees have spent the best years of their lives in the government service;

**WHEREAS**, considering that the amount necessary to include government retirees within the coverage of the Medicare Act, which is estimated at P2.3 million yearly, can be obtained from the surplus funds of the Medicare; and

**WHEREAS**, the Government Service Insurance System and the Philippine Medical Care Commission have endorsed the petition of the Philippine Government Retirees Association, Incorporated, favorable under certain conditions;

**NOW, THEREFORE I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, do hereby decree and order:

**SECTION 1.** Medicare coverage shall be extended to all retirees under Republic Act No. 660 and to those who retired with gratuity benefits under Republic Act No. 1616 who are now 60 years of age or over, without requiring them to pay contributions.

**SEC. 2.** The amount necessary to cover payment of Medicare benefits to those mentioned above which is estimated at approximately P2.3 million yearly shall be taken from the surplus of the Medicare Insurance Fund under the administration of the Government Service Insurance System.

**SEC. 3.** Upon implementation of Program II of the Medicare Act, the privilege of free Medicare coverage hereby granted to government retirees shall automatically cease.

**SEC. 4.** A yearly valuation of the Medicare Insurance Fund shall be undertaken and in the event that the free coverage cannot anymore be sustained by the Fund, the National Government shall guarantee payment of the contributions necessary to continue the coverage of retirees.

**SEC. 5.** The free coverage extended to the above-mentioned retirees shall not be extended to their legal dependents.

**SEC. 6.** The Government Service Insurance System shall adopt rules and regulations to implement this Decree within thirty (30) days from the date of this Decree.