

**[ ADMINISTRATIVE ORDER NO. 277, June 25,  
1996 ]**

**DIRECTING PARTICIPATING NATIONAL GOVERNMENT AGENCIES  
AND LOCAL GOVERNMENT UNITS TO ENSURE THE SPEEDY  
IMPLEMENTATION OF THE NATIONAL HEALTH INSURANCE  
PROGRAM AND FOR OTHER PURPOSES**

WHEREAS, the Philippine Constitution declares that the State shall adopt an integrated and comprehensive program to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable costs; and that priority for the needs of the underprivileged, sick, elderly, disabled, women, and children shall be recognized; and that it shall be the policy of the State to provide free medical care to paupers;

WHEREAS, RA 7875: The National Health Insurance Act of 1995 has been enacted in line with the declared policy of the State to provide adequate social services and improved quality of life for all, and this purpose, the State shall adopt an integrated and comprehensive approach towards health development;

WHEREAS, the Ten-Year Public Investment Plan for the Health Sector (1994-2004) identifies national health insurance as one of its priority public investment packages towards a national framework for universal insurance coverage;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Five-Year Phased-In Implementation of the Indigent Component of the National Health Insurance Program. — The Philippine Health Insurance Corporation is hereby directed to conduct actuarial studies to show the viability of the Indigent Component of the NHIP and to ensure that the NHIP shall have covered at least the poorest twenty five percent of the population within a period of five years.

SECTION 2. Directive to Department of Finance. — The DOF is hereby directed to ensure the effective resource mobilization for the implementation of the NHIP, particularly with regard to the fund sources identified by Sec. 1(4) of RA 7917, Sec. 3 par. 2 of RA 7654, and Sec. 22 (b) of RA 7660 and other pertinent laws.

SECTION 3. Directive to Department of Budget and Management. — The DBM is hereby directed to allocated funds as may be necessary and subject to the approved fiscal program of the national government, for premium subsidy and employer's counterpart contribution for the Medicare Program and include the same in the annual General Appropriations Act.

SECTION 4. Directive to the Oversight Committee on the Local Government Code. — The Oversight Committee on the Local Government Code is hereby directed to work