

MEDICARD SELECT
MEMORANDUM OF AGREEMENT
(FOR INDIVIDUAL /FAMILY/SME)

MediCard Philippines, Inc., (hereinafter referred to as “MediCard”), a duly organized and registered corporation, with principal office address at 8th Floor, The World Centre Building, 330 Sen. Gil Puyat Avenue, Makati City 1200, through the undersigned as its duly authorized representative, hereby confers this Service Agreement (the “Agreement”) to the COMPANY and/or Principal Member with postal _____ address _____ at _____, who agreed to engage the services of the former under the terms and conditions stipulated herein.

This AGREEMENT contains the terms, conditions and requirements of membership agreed upon and stipulated between MediCard and the COMPANY and/or Principal Member. The terms and conditions on the following pages are part of this Agreement.

Signed on _____ in Makati City, Philippines.

JULIAN C. MENGUAL
Chief Executive Officer

Conforme:

Signature over printed name of

Principal Member

Company Representative and/or Member
in his capacity as:

[Indicate Position, if Company representative]

TERMS AND CONDITIONS

I. DEFINITION OF TERMS

1. **ACCIDENT** – A visible, external, sudden and violent event occasioned by a physical or natural cause and occurring entirely beyond the MEMBER’s control causing damage to the health of the MEMBER.
2. **ACCREDITED HOSPITAL** - A duly licensed hospital included in the list of accredited hospitals of MediCard with which MediCard has an existing and valid service agreement and where a MEMBER can avail of medical services pursuant to this Agreement.
3. **ACCREDITED MEDICAL CLINIC** - A duly licensed medical health care facility included in the list of accredited medical clinics of MediCard which has an existing and valid accreditation agreement with MediCard and where a MEMBER can avail of medical services pursuant to this Agreement.
4. **ACCREDITED PHYSICIAN/DOCTOR** - A duly licensed physician or specialist accredited by MediCard and named in the list of MediCard’s accredited physician with whom MediCard has made arrangements to provide the required services under this Agreement.
5. **ANESTHESIOLOGIST** - A specialist duly licensed and registered to administer anesthetic agents and conduct other anesthesia procedures during medical operation.
6. **ANNUAL BENEFIT LIMIT (ABL)** – The maximum aggregate limit in availing applicable benefits and services (i.e. in-patient and all diagnostic procedures both out-patient and in-patient), limited to covered illnesses on a per member per year or per family unit per year basis as may be applicable. ABL is replenished upon renewal of this Agreement.
7. **ATTENDING PHYSICIAN** - An Accredited Physician who is part of the medical staff of an Accredited Hospital or Accredited Medical Clinic, and legally responsible for the care given to a MEMBER while in the hospital or on out-patient basis.
8. **AUTHORIZED REPRESENTATIVE** - A person duly authorized by MediCard to approve the provision of medical services or claims reimbursements to a MEMBER.
9. **CONVALESCENT CARE OR REHABILITATION CARE** - The restoration of a person's ability to function as normally as possible after a disabling illness or injury.
10. **COMPLEX DIAGNOSTIC EXAMINATIONS** - Procedures which may or may not be invasive in nature involving use of nuclear/radionuclide scans, digital imaging, fiberoptic/video endoscopy, markers/dyes and specific modalities listed in “Schedule A - Benefit Coverage”.
11. **CUSTODIAL OR MAINTENANCE CARE** - Care furnished primarily to provide room and board (which may or may not include nursing care, training in personal hygiene and other forms of self-care and/or supervisory care by a physician); or care furnished to a person who is mentally and physically disabled and:
 - a. who is not under specific medical, surgical or psychiatric treatment so as to reduce the disability to such extent necessary as to enable them to live outside an institution providing such care; or
 - b. when, despite such treatment, there is no reasonable likelihood that the disability will be so reduced.

12. **DEVELOPMENTAL, CONGENITAL CONDITION, BIRTH DEFECT** - A medical abnormality existing at the time of birth as well as neonatal physical or mental abnormalities developing thereafter because of causal factors or conditions present at the time of birth.
13. **DISABILITY** - An illness or injury and any symptoms, sequelae, or complication thereof requiring treatment. All injuries arising from the same event or series of continuous events are considered as one Disability.
14. **DISEASE** – Any illness, injury or adverse medical condition characterized by the abnormal functioning of a part, organ or system of the human body hallmarked by identifiable signs and symptoms, including all Disease Complications thereof.
15. **DISEASE COMPLICATION** – Any illness, injury or adverse medical condition that is caused by or is a consequence of an identifiable disease process. A disease complication shares the same limit as the primary disease which caused it.
16. **DOMICILIARY CARE** - Care provided because care in the patient's home is not available or unsuitable.
17. **DURABLE MEDICAL EQUIPMENT** - As determined by the MediCard, medically prescribed items of medical equipment for repeated use, owned or rented, such as but not limited to crutches and wheelchairs which are placed in the home of a MEMBER to facilitate treatment and/or rehabilitation of illness or injury.
18. **EFFECTIVE DATE** - The date the Agreement commences as specified in this Agreement.
19. **ELIGIBLE EXPENSES** - Expenses incurred in the treatment of a covered illness or injury which are medically necessary and not exceeding the limits in “Schedule B – ASO Fund”.
20. **EMERGENCY CONDITION** - A life threatening or accidental injury or a sudden and unexpected onset of a condition or illness which at the time of the occurrence reasonably appears to have the potential of causing immediate Disability or death, or which requires the immediate action or alleviation of pain or discomfort. These illnesses or injuries require urgent medical or surgical care and attention which the MEMBER secures immediately after the onset or as soon as the care may be made available.
21. **EXPIRY DATE** - The date the Agreement is scheduled to terminate.
22. **FAMILY UNIT** – Unit of members composed of the Principal Member and at least one or more immediate dependent/s, either spouse, child/ren, parent/s, and/or sibling/s who share one aggregate limit known as the annual benefit limit (if applicable).
23. **HAZARDOUS JOB-RELATED ILLNESSES/INJURIES ARISING FROM NEGLIGENT ACTS** - illnesses/injuries suffered on the occasion, or as a consequence, of the performance of a job brought about by negligence or non-use of protective measures in jobs requiring the handling of biological agents, radioactive substances, toxic chemicals and high voltage equipment.
24. **ILLNESS** - A poor health or poor physical condition marked by a pathological deviation from the normal healthy state caused by disease or sickness.
25. **IN-PATIENT** - A person who has been admitted to a hospital as a registered bed patient and is receiving services under the direction of a MediCard accredited physician.
26. **INJURY** - Physical damage or trauma arising wholly and exclusively from an Accident or other events of violent or external, and visible nature.

27. **LETTER OF AUTHORIZATION (LOA)** - Letter of authorization duly issued by MediCard to, and signed by, the MEMBER which shall serve as the authority of the latter to avail of the medical services.
28. **MATERIAL INFORMATION** - An information is deemed material if its disclosure would have resulted in the (a) declination of the application for Membership of the applicant, (b) the assessment of a higher ASO Fund in Schedule B or (c) the inclusion of additional restrictions and exclusions to the benefits of the MEMBER under this Agreement.
29. **MEDICAL BENEFITS** - The medical, surgical and dental services available as out-patient or in-patient benefits generally at no cost to MEMBERS if within the agreed scope of coverage, whenever the need for them arises, and when rendered by and in MediCard accredited doctors, hospitals and clinics.
30. **MEDICAL DIRECTOR (in an HMO set-up)** – is a physician who is responsible in assuring healthcare delivery for health plans, products and services by leading, developing, directing and implementing medical and non-medical activities that impact health care quality, cost and outcomes in a financially responsible manner.
31. **MEDICALLY NECESSARY** - A medical service, as determined by MediCard, which is (a) consistent with the diagnosis and customary medical treatment of the condition, (b) in accordance with the standards of managed care and good medical practice, (c) not for the convenience of the MEMBER or the Accredited Physician, (d) performed in the most cost effective manner required by the medical condition and (e) consistent with the terms and conditions of this Agreement.
32. **MEDICAL SERVICE UNITS/TEAMS** - A group of MediCard physicians and other allied health professionals, who will carry out the delivery of MediCard medical and hospital services to MediCard MEMBERS.
33. **MEDICARD ACCREDITED HOSPITALS/CLINICS** - Hospitals accredited by MediCard, where the designated physician assigns MediCard MEMBERS for hospitalization.
34. **MEDICARD HEALTH PROGRAM AGREEMENT** - Refers to this Agreement. It contains the provisions of enrollment eligibility and effective date; benefits and coverages; claims and member satisfaction provisions; exclusions and limitations of benefits; payment of ASO Fund in Schedule B; termination of coverages; etc.
35. **MEDICARD IDENTIFICATION CARD** - The identification card issued to the MEMBERS for their identification. It contains the MEMBER's name, account number and validating signature.
36. **MEDICINE AND DRUGS** - Those for which a licensed medical practitioner has prescribed for dispensing, which are specifically required for the treatment of a covered illness or injury under this Agreement.
37. **MEMBER** - An enrollee who has complied with all the requirements of membership under the MediCard Healthcare Program and is hereby entitled to its medical benefits. Unless otherwise specified, all MEMBERS are entitled to all benefits. Types of MEMBERS are defined under Article VI.
38. **MEMBERSHIP** - Refers to membership in MediCard, pursuant to this Agreement.
39. **OUT-PATIENT** - A person receiving medical services under the direction of a MediCard physician, but not as an in-patient.
40. **PRIMARY ACCREDITED PHYSICIAN** - The officer-in-charge physician who acts as the family physician of the MEMBERS in their MediCard accredited hospital. He directs the MEMBERS' medical care, examines, treats and/or refers MEMBERS to specialists, orders x-ray and

other laboratory tests, prescribes medicines and arranges for hospitalization, if needed. This person must not be a relative of the MEMBER up to the third degree of consanguinity and affinity.

41. **PRIVATE NURSE** - A licensed nurse providing close observation and performing special treatments, which are certified as Medically Necessary by the Attending Physician.
42. **PROFESSIONAL FEES** - Fees paid to licensed medical professionals including but not limited to Occupational Therapists, Physiotherapists, Attending Physicians, Surgeons, Anesthesiologists, or Pathologists.
43. **ROOM AND BOARD ACCOMMODATION** - The pre-assigned type of hospital room and board by MediCard to the MEMBER based on the benefit and coverage of the health care plan under this Agreement.
44. **STATEMENT OF ACCOUNT (SOA)** - The statement of account duly issued by MediCard on or before the due date of payment reflecting ASO Fund in Schedule B and other monetary obligations, if any, payable by the COMPANY and/or Principal Member.
45. **SURGERY** - The branch of medicine dealing with manual or operative procedures for the correction of deformities and defects, repair of injuries, diagnosis and cure of certain diseases. This includes surgery performed in an out-patient setting for a covered illness or injury.
46. **SME (SMALL MEDIUM ENTERPRISE)** – For purposes of this Agreement SME shall be herein referred to as “COMPANY”.

II. **BENEFITS AND COVERAGES**

All the benefits provided for in this Agreement are detailed in “Schedule A – Benefit Coverage”, and subject to the following terms and conditions:

1. In case of Out-Patient, the MEMBER can go directly to the primary physician of any accredited hospital/clinic for out-patient consultation. The primary physician will request for laboratory or diagnostic examinations or refer the MEMBER to a specialist. The MEMBER may avail of services from any accredited hospital/clinic of his/her choice upon issuance by MediCard of the Out-Patient Consultation Form or Laboratory Request Form.
2. For In-Patient services, all limits are inclusive of room and board, operating room charges, professional fees and other incidental expenses relative to the procedure. A Letter of Authorization (LOA) together with other necessary documents shall be issued by MediCard prior to confinement. The maximum benefit limit and annual benefit limit shall be inclusive of consultations, diagnostic procedures and hospitalization. Before being discharged from the Hospital, a Member must fill up the prescribed discharge form and settle that portion of the medical bill not covered by the Agreement. That portion of the bill covered by the Agreement shall be settled directly by the HMO with the hospital and/or Attending Physician(s).
3. All procedures or benefits are subject to the limitations on pre-existing conditions as stated in this Agreement.
4. Non-emergency confinement or surgery (elective cases) shall be subject to prior review and approval by the MediCard review board. MediCard reserves the right to direct the MEMBERS to other physicians or specialists for further opinions as needed so as to protect the interest of both the MEMBER and MediCard.
5. In all circumstances of Emergency Care Services, MediCard reserves the right to validate whether treatment received is emergency in nature and/or the illness or condition is covered under the provisions of this Agreement.

6. In case a MEMBER is simultaneously covered under more than one corporate or group health maintenance agreements with MediCard, the ASO Fund in Schedule B for which are paid by the COMPANY and/or Principal Member, the MEMBER on a per confinement basis, shall only avail of the benefits accruing from one agreement. The MEMBER must choose which agreement will apply and his/her confinement will be governed by the terms and conditions and the limits of the agreement of his/her choice. The provision is without prejudice to the other benefits availed of by the MEMBER under another agreement which may apply for other confinements.
7. Hospitalization or in-patient coverage of a MEMBER will depend on his/her final diagnosis. All diagnostic procedures will only be covered if results are within inclusions of this Agreement.
8. All MediCard patient-MEMBER are considered to be patients of the MediCard Medical Director handled by his authorized designates. As such, coverage or non-coverage of certain illness not listed herein shall be upon his discretion after proper consultation with the concerned medical accredited physician.

III. PRE-EXISTING CONDITIONS PROVISIONS

1. Any illness, injury or any adverse medical condition shall be considered pre-existing if prior to the effectivity date of membership, the pathogenesis or onset of such illness, injury or adverse medical condition has started as determined by MediCard's Medical Director or accredited physicians. The determination of the pre-existing condition shall not be limited to one (1) year from the effectivity date of membership.
2. Without necessarily limiting the following enumeration, the following are automatically considered as pre-existing conditions if consultation or treatment is sought within the first twelve (12) months of coverage:
 - a. Any dreaded diseases as defined in this Agreement except letters k and l.
 - b. Hypertension
 - c. Goiter (Hypo/Hyperthyroidism)
 - d. Cataracts/Glaucoma
 - e. ENT conditions requiring surgery
 - f. Bronchial Asthma/Allergy/Urticaria
 - g. Tuberculosis
 - h. Chronic Cholecystitis/Cholelithiasis (gall bladder stones)
 - i. Acquired Hernias
 - j. Prostate disorders
 - k. Hemorrhoids and Anal Fistulae
 - l. Benign Tumors
 - m. Uterine Myoma, Ovarian Cyst, Endometriosis
 - n. Buergher's Disease
 - o. Varicose Veins
 - p. Arthritis
 - q. Migraine Headache
 - r. Gastritis/Duodenal or Gastric Ulcer
3. Pre-existing conditions coverage is provided in "Schedule A – Benefit Coverage".
4. It is understood that the foregoing benefits shall likewise be applicable to "dreaded diseases" as defined under Article XI, Section 2 of this Agreement.
5. If there is a stipulated maximum limit on selected procedures or benefits, the coverage should be within both the pre-existing conditions coverage and the stated maximum limit.

6. Diagnostic procedures undertaken to determine the existence of a Pre-existing Condition is a covered expense provided that the result of diagnostic procedure is negative for the existence of the pre-existing condition.
7. Pre-existing Condition shall only be covered based on “Schedule A – Benefit Coverage”, provided that, there is no failure to disclose, misrepresent or conceal, Material Information in the original Application or Application for reactivation. Notwithstanding the disclosure by the MEMBER of a pre-existing condition, MediCard may permanently exclude from cover or limit coverage a specific medical condition, illness or injury upon written notice to the MEMBER.

IV. CLAIMS AND REIMBURSEMENTS

1. REIMBURSEMENT PROCEDURE

All claims for reimbursement must be submitted or forwarded to MediCard Head Office within thirty (30) calendar days after discharge from the hospital. Failure to do so shall invalidate the claim, except if it can be shown in writing that it was not reasonably possible to furnish such documents within thirty (30) calendar days.

Required documents in availing reimbursement:

- a. Emergency confinement in non-accredited hospital attended by a non-accredited doctor
 - Duly filled-up claim form
 - Clinical Abstract
 - Medical Certificate to include complete final diagnosis
 - Surgical/Operative report if an operation was done
 - Original Official Receipt paid to hospital and doctor
 - Hospital statement of account and corresponding charge slips
 - Police report if due to accident or medico-legal case
 - Incident report why MEMBER was confined in a non-accredited hospital
- b. Emergency confinement in an accredited hospital attended to by a non-accredited doctor
 - Duly filled-up claim form
 - Clinical Abstract
 - Medical Certificate to include complete final diagnosis
 - Original Official Receipt paid to the hospital and doctor
 - Hospital statement of account and corresponding charge slips
 - Police report if due to accident or medico-legal case
 - Incident report or proof that MediCard accredited doctor was not available during the time of confinement
- c. Out-Patient emergency consultation/treatment by a non-accredited doctor in areas where there are accredited hospitals/clinics.
 - Medical Certificate to include complete final diagnosis
 - Original Official Receipt paid to the doctor
 - Incident report
 - Police report if due to accident or medico-legal case
- d. Out-Patient emergency or non-emergency consultation/treatment by a non-accredited doctor in areas where there is no accredited Hospital/Clinic.
 - Medical Certificate to include complete final diagnosis
 - Original Official Receipt
 - Incident report
 - Police report if due to accident or medico-legal case

2. RECONSIDERATION OF DENIED REQUEST FOR PAYMENT

If a request for payment is denied, the MEMBER or the MEMBER's authorized representative may appeal the decision by filing a written request with MediCard Head Office within thirty (30) days after receiving a negative decision. The request must set forth why the MEMBER believes that the decision was in error. The MEMBER may examine pertinent documents not subject to "privileged communication" (as discussed in Rule 130, Section 24 of the Rules of Court) or disclosure and may submit additional written statements for consideration of the appeal.

Upon completion of the procedure, the MEMBER will receive a written notice stating the final MediCard decision and the reason for such decision.

3. FRAUDULENT CLAIMS

If any claim under this Agreement is in any respect fraudulent, all benefits payable and/or paid in relation to that claim shall be forfeited and if deemed appropriate, recoverable, respectively.

4. PHYSICAL EXAMINATION AND AUTOPSY

MediCard shall have the right and opportunity to examine the MEMBER when and as often as it may reasonably require during the pendency of claim hereunder, and the right and opportunity to make an autopsy in case of death, where it is not forbidden by law.

5. BENEFIT PAYMENT

- a. All benefits payment shall be in PHILIPPINE PESO.
- b. If a MEMBER incurs Eligible Expenses during the effectivity of this Agreement, MediCard will pay benefits in accordance with Schedule A - Benefit Coverage of this Agreement. MediCard will pay the Eligible Expenses after application of any stipulated co-payment or other deductions that may apply.
- c. Benefits will not exceed the total medical expenses when combined with other health care or medical coverage in force or organizations or which are provided free of charge in government or private facilities.
- d. MediCard reserves the right to deny Claims for Reimbursement if the procedures and requirements have not been strictly complied with.

6. PAYMENT OF CLAIMS

All benefits that pertain to a MEMBER will be paid by check to the order of Principal Member, unless the Principal Member requests otherwise, or HMO, in its discretion, considers it preferable to make the payment in another manner. In case of death of a MEMBER, any benefit due but remaining unpaid shall be paid to the first surviving class of the following classes of successive preference of beneficiaries: the MEMBER's (a) widow or widower; (b) surviving children; (c) surviving parents; (d) surviving brothers and sisters; and (e) executors or administrators.

V. EXCLUSIONS AND LIMITATIONS

1. HOSPITALIZATION

- a. All confinement shall be upon recommendation of the MEMBER's MediCard accredited Physician, or the MediCard Medical Director or the Emergency Room Resident Physician of the MediCard Accredited Hospital who decides to admit MediCard patient-MEMBER in cases of life threatening emergencies.

- b. Hospital bills for the following hospital services shall be charged to the account of the MediCard patient-MEMBER: services of a private nurse or doctor, use of extra food and/or bed, T.V., electric fan, video/audio disc player, ID bracelet, thermometer and all other items not directly related to the medical management of the patient-MEMBER.
 - c. Hospitalization and treatment outside the Philippines is not covered except where there is a coverage for “Emergency Care Services in Foreign Countries”, explicitly indicated in Article V of Schedule A under this Agreement.
 - d. MediCard is not responsible and will not recognize any hospital bills incurred by a MEMBER in hospitals not accredited by MediCard, except for emergency care services under the terms provided in this Agreement.
 - e. Cost of hospitalization, medical services, medicine and other expenses incurred as a result of a MEMBER's decision to avail of such hospitalization, medical services, treatment or procedure, not prescribed or contrary to what has been prescribed by the MediCard attending physician, or without MediCard's express written report shall not be shouldered by MediCard.
2. OUT-PATIENT SERVICES
- a. Prescribed medicines on an out-patient basis are not provided by MediCard-owned Clinics or Medical Service Units.
 - b. The absolutely no charge out-patient medical and health care services are provided only during clinic hours of Medical Service Units.
 - c. Second opinions and cost of treatment incurred in non-accredited hospital or clinic should the MEMBER unilaterally decide to seek such recourse.
3. LIMITATION IN SERVICES: MediCard is not responsible for the following:
- a. Delay or failure to render services due to major disasters, brownouts or epidemics affecting facilities or personnel.
 - b. Unusual circumstances such as complete or partial destruction of facilities, war, riots, disability of a significant number of MediCard personnel or similar events which result in delay to provide services.
 - c. Conditions for which a MEMBER has refused recommended treatment for personal reasons, for which MediCard physicians believe no professionally acceptable alternative treatment exists.
 - d. Sudden change of hospital policies.

VI. MEMBERSHIP ELIGIBILITY

1. The following are eligible for Membership under this Agreement:

- a. Principal Member

For Individual Account: Any person at least 18 years old up to years of age

For Family Unit Account: Any person at least 18 years old up to years of age

b. Qualified Dependent Member for Family Unit Account

For Married Principal Members

- a. The legal spouse up to years of age.
- b. Legitimate and/or legally adopted children days old and up to years of age who are not gainfully employed and unmarried.

For Single Principal Members

- a. Parents up to years of age.
- b. Brothers and sisters days old and up to years of age.

For Single Parent Principal Members

Children 30 days old and up to years of age.

VII. PHILHEALTH/ECC PROVISION

It is hereby declared and agreed that hospitalization benefits due under the PHILHEALTH and/or Employee Compensation Commission (ECC) program are assigned to and integrated with the MediCard program such that any of the MediCard benefits due under this Agreement shall be net of the MEMBER's PHILHEALTH and/or Employee Compensation Commission (ECC) benefits. MediCard will not pay or advance the costs of such benefits, nor be responsible for filing any claims under PHILHEALTH and/or ECC.

VIII. EFFECTIVITY AND DURATION OF THIS AGREEMENT

1. This Agreement shall take effect on the date stated in the Schedule B - ASO Fund and Membership Information upon signing by the parties thereof and upon receipt by MediCard of the full Network Access Fee and Revolving Fund, and will be in force and effect for a period of one (1) year.
2. This Agreement terminates upon expiration of the one-year period unless the same is renewed under such terms as may be agreed upon by both parties. This AGREEMENT may be renewed upon filing the application for renewal by the COMPANY and/or Principal Member before the date of expiration of the subsisting AGREEMENT or upon signing a new AGREEMENT, and upon payment of the required revolving fund and network access fee that may be required by MediCard based on the current rates. Otherwise, the COMPANY and/or Principal Member would have to re-apply for membership in the same manner as new applicants. It is expressly agreed that all re-applications for membership in accordance with this AGREEMENT shall be subject to re-evaluation and approval by MediCard.
3. Any aggrieved party may pre-terminate this Agreement for cause (i.e. any act of bad faith, breach of agreement, etc.), save in cases cited below, upon service of thirty (30) days notice to the other. MediCard shall have the right to immediately terminate this Agreement in the event that: (a) any material misrepresentation; or warranty made by the COMPANY and/or Member is false or untrue; or if the COMPANY and/or Member commits any act with the intend to defraud MediCard; or (b) the COMPANY and/or Principal Member's non-payment of ASO Fund in Schedule B and other obligations subject to agreed payment terms.
4. **Free Look Provision for Individual/Family Account.** The MEMBER may terminate this Agreement by giving a written notice within fifteen (15) days from his/her receipt of the contract. The MEMBER may cause the termination of this Agreement provided the membership ID Cards and this Agreement are surrendered to MediCard within the same period. If payment was made by the MEMBER, the amount shall be returned in full to the MEMBER. MediCard shall thereafter terminate the membership and the termination

- provision of this Agreement shall apply. Failure to terminate this Agreement within the period set shall be understood as an acceptance of all terms and conditions provided hereunder. Any availment of a MEMBER within the fifteen (15) - day period shall also mean acceptance by the MEMBER of all the terms and conditions of this Agreement.
5. The COMPANY and/or Principal Member may terminate this Agreement for justifiable reasons at any time by giving a written notice to MediCard at least thirty (30) days prior to the intended termination date. The COMPANY and/or Principal Member may only terminate this Agreement if it is not in default in the performance of its obligations or it has not violated any of its warranties and representations. Starting on the termination date, MediCard shall be free from all liabilities to the COMPANY/MEMBER. Pre-termination can only be allowed once outstanding obligation of the COMPANY/MEMBER is settled.
 6. Membership coverage shall automatically terminate when: (a) the MEMBER has fraudulent availment or material misrepresentation or misstatements for the purpose of availing the benefits; or (b) when the MEMBER fails to observe the terms and conditions of this Agreement with utmost good faith.
 7. Membership of the Principal Member and his/her dependents shall automatically cease upon termination of employment with the COMPANY. The provision of Article IX, Section 3 on grace period shall no longer apply.
 8. In all cases, termination shall be without prejudice to the right of MediCard to collect COMPANY/MEMBERS obligations which have become due and demandable. All medical expenses incurred after the date of termination of the MEMBER's coverage shall be charged to the COMPANY and/or Principal Member.
 9. The termination of this Agreement will not hold MediCard responsible to provide the medical and health care services described herein to such enrolled MEMBER, who are still confined in any of the MediCard Accredited Hospitals or undergoing emergency treatment in non-accredited hospitals at the time of the termination of this Agreement. However, only the hospital charges applicable up to the time of termination of the Agreement will be paid by MediCard.

IX. PAYMENT TERMS AND CONDITIONS

1. **ASO FUND.** The COMPANY or Principal Member with respect to this Agreement, agrees to pay MediCard the ASO Fund as specified in "Schedule B – ASO Fund", and shall follow the payment terms indicated therein.
2. **DELINQUENCY, GRACE PERIOD AND LAPSATION PROVISIONS.**
 - a. This Agreement shall automatically lapse and be void, without need of any notice, if the Network Access Fees remains unpaid after thirty (30) calendar days from the due date, which is the grace period for payment of network access fees or should the Revolving Fund becomes negative. As such, MEMBERS shall no longer be entitled to MediCard benefits membership shall be deemed terminated.
 - b. During the 30-day grace period within which the COMPANY and/or MEMBER are given time to update their account, all benefits will still be covered, except for hospital confinement which will cease to be covered after fifteen (15) calendar days from the date the payment of the fees are due regardless whether there is still an existing Revolving Fund.
 - c. All expenses advanced by MediCard during the grace period shall be reimbursed from the revolving fund.
3. **APPLICATION OF PAYMENT.** All payments received by MediCard from the COMPANY or MEMBER shall be applied to the SOAs, in the order of respective due dates, starting from

the earliest. Payment will be applied to the interest or penalty first before applying it to the principal amount.

4. **EFFECTS OF NON-PAYMENT OF APPROPRIATE FEES.** Non-payment of the fees indicated in Schedule B or any outstanding billing, due after the grace period shall entitle MediCard to:
 - a. Suspend all services under this Agreement or services to MEMBERS whose fees have not yet been received, until full payment of all fees due, including penalty charges equivalent to five percent (5%) a month or a fraction thereof on the unpaid fees due, computed from due date; and
 - b. Terminate this Agreement without prejudice to collecting the amount due and the corresponding penalty charges that have accrued thereon.
5. **LIFTING OF SUSPENSION.** Suspension shall be lifted upon receipt of payment for the fees due plus penalty charges, subject to clearing of checks. MediCard shall not be liable for any claims incurred during the Suspension even after lifting of suspension. COMPANY/MEMBER is given three (3) days after the end of the 30-day grace period to reactivate the Agreement. Otherwise, COMPANY/MEMBER's benefits under this Agreement shall be deemed forfeited in favor of MediCard.
6. **REACTIVATION OF AGREEMENT.** Upon lifting of the suspension, MediCard shall initiate the reactivation of this Agreement to the effect that MEMBERS can access the MediCard network of healthcare providers. Changes in plan, including upgrading or downgrading of plan is allowable during the renewal of this Agreement subject to the approval of MediCard.

X. MEMBERSHIP

1. **UNDERWRITING CUT-OFF DATES IN ASSIGNING EFFECTIVITY DATE:**

<u>Date of Receipt of Application/Endorsement</u>	<u>Effectivity Date</u>
11 th to 25 th of the month	1 st of the following month
26 th to 10 th of the month	16 th of the same month

2. New enrollees who are approaching age of ineligibility must be enrolled at least six (6) months counting from the date of effectivity up to the date that the enrollees become ineligible for them to be accepted as MEMBERS (i.e. If age of eligibility is up to 60 years old, only applicants who are 60 years and 6 months old and younger will be accepted for membership). All pre-existing conditions/dreaded disease limits will be computed on a prorated basis.
3. Renewing MEMBERS who will become age ineligible within the next renewal agreement year will be allowed to renew regardless of the remaining months that the MEMBER will remain eligible. Full pre-existing conditions/dreaded disease limits will be applied and the member will be accommodated until the end of the contract year.
4. In relation to his/her dependents, the MEMBER shall be known as the Principal Member and he/she shall be deemed to have undertaken to comply with all the requirements and obligations of individual regular membership under the Agreement on behalf of said dependent/s, particularly the payment of the required fees, dues and charges.

5. **MEMBERSHIP REQUIREMENT**

- a. The MEMBER undertakes to submit to MediCard the following:
 - a.1 Valid Identification Card

- b. MediCard undertakes to furnish the MEMBER the following:
 - b.1 Membership application forms to be filled by the MEMBERS;
 - b.2 MediCard Identification Card
 - b.3 this Agreement
 - c. The Identification Cards merely provide information about the MEMBER and do not constitute this Agreement and neither do they guarantee the delivery of the benefits herein contained.
6. **UPGRADING/DOWNGRADING OF PLAN.** Upgrading or downgrading MEMBER's plan shall not be allowed during the contract period.

XI. MATERIAL MISREPRESENTATION OR NON-DISCLOSURE

Failure to disclose or misrepresentation of any material information by the COMPANY or MEMBER or any applicant for membership under this Agreement, whether intentional or not, shall entitle MediCard to terminate this Agreement, and/or terminate the membership of the MEMBER concerned, respectively, at the option of MediCard, effective immediately upon receipt of the COMPANY or MEMBER of a notice of termination for this case. Information is deemed material if:

- a. it is among those required to be answered or supplied in the corporate and/or individual application and/or medical examination forms of MediCard at the time of application;
- b. it would have revealed the existence of a pre-existing condition under Article III or of a "dreaded disease" as defined under Article XII, Section 2;
- c. it would be determinative of an "exclusion" as defined under Article V; or
- d. it would have resulted in the disapproval of the application of the MEMBER for membership, or the assessment of a higher ASO Fund in Schedule B for the benefit/s applied for with MediCard in accordance with the prevailing practice of MediCard at the time the misrepresentation or non-disclosure was discovered.

In case of invalidation of the agreement due to fraudulent non-disclosure or misrepresentation of any material information by the COMPANY and/or MEMBER, COMPANY and/or MEMBER shall not be entitled to a return of revolving fund which may have been paid already to MediCard, as well as any and all benefits which may be provided under this Agreement. Furthermore, MediCard may also demand for reimbursement of the cost of services rendered to the COMPANY and/or MEMBER plus administration fee; however, in the event that there is no fraud, MediCard shall return the revolving fund paid less cost of previous services rendered by MediCard to the COMPANY and/or MEMBER including administration fee.

XII. GENERAL PROVISIONS

1. **ENTIRE AGREEMENT.** This Agreement together with the proposal, any addendums, annexes and the Applications for Membership altogether constitute the entire agreement between MediCard and the COMPANY and/or Principal Member, and no statement, promise or inducement made by or through any other party not contained herein shall be binding or valid. All statements and information contained in the MEMBER's Application Form shall be deemed representations and warranties made by the MEMBER himself for purposes of applying the provisions of this Agreement. The Conforme letter, Renewal Agreement or any agreement between the Parties shall constitute as execution of this Agreement by the Parties. This Agreement supersedes all prior undertakings, arrangements, representations, agreements, whether valid or verbal

between the Parties. All services and benefits arising out of this Agreement are valid only in the Philippines. Any amendment to this Agreement must be approved by MediCard and shall form part of this Agreement. Unless agreed by the Parties in writing, no such alteration or endorsement shall affect any agreement issued prior thereto. This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines. It is hereby agreed that the venue for actions arising out of this Agreement shall be in Makati City, Philippines.

2. **DREADED DISEASES.** Potentially or actually life threatening conditions. They may also be illnesses that may require unusually or uncustomary prolonged or repeated hospitalization and may likewise require intensive care management. These are enumerated but not limited to the following illnesses/conditions which are considered as dreaded disease:
 - a. Cerebrovascular Accident (stroke)
 - b. Central Nervous System lesions (Poliomyelitis/Meningitis/Encephalitis/neurosurgical conditions)
 - c. Cardiovascular Disease (Coronary/Valvular/Hypertensive Heart Disease/Cardiomyopathy)
 - d. Chronic Obstructive Pulmonary Disease (Chronic Bronchitis/Emphysema), Restrictive Lung Disease
 - e. Liver Parenchymal Disease (Cirrhosis, Hepatitis (except Type A), New Growth)
 - f. Chronic Kidney/Urological disease (Urolithiasis, Obstructive uropathies, etc.)
 - g. Chronic Gastrointestinal Tract Disease requiring bowel resection and/or anastomosis
 - h. Collagen diseases (Rheumatoid Arthritis, Systemic Lupus Erythematosus)
 - i. Diabetes Mellitus and its complications
 - j. Malignancies and Blood dyscrasias (Cancer, Leukemias, Idiopathic Thrombocytopenic Purpura)
 - k. Injuries from accidents or assaults, frustrated homicide or frustrated murder; subject to police report
 - l. Complications of an apparent ordinary illness including MODS and SIRS (e.g. sepsis due to pneumonia, typhoid ileitis, Kawasaki disease, cerebral malaria, etc.)
 - m. Single or multiple organ dysfunction and failure (MODS and MOF)
 - n. Conditions that may require dialysis
 - o. Chronic pain syndrome (greater than six weeks)
 - p. Any illness other than the above which would require Intensive Care Unit confinement

MediCard shall pay for the consultation and hospitalization services, as herein defined, of a MEMBER for "dreaded disease" up to the stated maximum amount or limit as specified in "Schedule B – ASO Fund", "per illness per year" or "per member/per family unit per year", whichever is applicable.

"Dreaded diseases" which are pre-existing in accordance with this Agreement are to be governed by the provisions of Article III.

3. **DOWNGRADING OF ROOM ACCOMMODATION.** Availment of a room accommodation lower than the MEMBER's Room and Board Accommodation can be done at the option of the MEMBER but there shall be no refund or offsetting for the cost difference in room accommodation and other related medical benefits.

4. **GENERAL PROVISIONS FOR ROOM ACCOMMODATION**

If a MEMBER occupies a room higher than what he/she is entitled to, during confinement except during emergency care, he/she shall share in the medical expenses according to the following formula:

- a. If a MEMBER occupies a higher priced room of the same category, the MEMBER shall pay for the excess on room & board:

Computation:

(Rate of room occupied minus maximum room and board benefit) multiplied by
(No. of days confined)

- b. If a MEMBER occupies a room one category higher than what he/she is entitled to, the MEMBER shall pay for the incremental cost on hospital expenses and professional fees and the excess on room & board.

- Incremental cost for hospital expenses:
(Total hospital bills minus total room and board charges minus disapproved charges) multiplied by 30%

- Incremental cost for professional fees:
Medical case: $MRV^* \text{ Actual Room} - MRV^* \text{ Assigned Room}$
Surgical case:
Ward to Private Room: $MRV^* \text{ Private} - MRV^* \text{ Ward}$
Private Room to Suite: $MRV^* \text{ Suite} - MRV^* \text{ Private}$

Note: *MRV – MediCard Relative Value

- c. If at the time of the confinement the Accredited Hospital has no available room in accordance with the MEMBER's Room and Board Accommodation and the MEMBER is entitled under this Agreement to avail of the next higher room available, he/she may avail the said benefit in accordance with "Schedule A - Benefit Coverage", Article VI.

5. **EXCESS CHARGE.** Services availed by a MEMBER in excess of the coverage or allowable limit shall be settled by the MEMBER directly with the hospital. Failure of the MEMBER to settle the excess charges shall necessitate MediCard to bill the COMPANY and/or Principal Member, all excess charges with corresponding fifteen percent (15%) service fee, payable within fifteen (15) calendar days from receipt of billing. Otherwise, a corresponding penalty of 1% per month will be incurred. If the bills remain unpaid after thirty (30) calendar days, the concerned MEMBER shall cease to be entitled for coverage until after bills have been settled in full.

6. **NON-TRANSFERABILITY PROVISIONS.** This Agreement or any of the benefits hereunder can neither be transferred nor assigned by the COMPANY or MEMBER to any other person. Any purported assignment or delegation of this Agreement is null and void and can be considered as breach of this Agreement.

7. **AUTHORITY TO EXAMINE MEDICAL RECORDS.** The COMPANY and/or Principal Member hereby represents and warrants that, at the time of the effectivity of this Agreement and effectivity of coverage, it has authorized MediCard and any of its authorized representatives to obtain, examine and process the MEMBER's personal information, including the medical records of their hospitalization, consultation, treatment or any other medical advice in connection with the benefit/claim availed under this Agreement;

The COMPANY and/or Principal Member shall hold MediCard free and harmless from and against any and all suits or claims, actions, or proceedings, damages, costs and expenses, including attorney's fees, which may be filed, charged or adjudged against MediCard or any of its directors, stockholders, officers, employees, agents, or representatives in connection with or arising from the use by MediCard of the MEMBER's medical records and other personal information pursuant to this Agreement.

8. **MISCELLANEOUS PROVISION.** It is hereby understood that, to be entitled to the benefits under this Agreement, the MEMBER hereby waives his/her consent to the disclosure and processing of his/her medical/health information which is determinative for the assessment of his/her coverage and necessary for the treatment of his/her illness. MediCard, its Medical Service Units/Teams and its Accredited Hospitals/Clinics are hereby released from any liability by reason of such disclosure.
9. **CONFIDENTIALITY.** The COMPANY or MEMBER shall not use or reproduce, directly or indirectly any Confidential Information for the benefit of any person, or disclose to anyone such Confidential Information without the written authorization of MediCard, whether during or after the term of this Agreement, for as long as such information retains the characteristics of Confidential Information.

"Confidential Information" means any data or information, that is proprietary to MediCard and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including, without limitation: (i) personal information, treatments or operations undergone by its members; (ii) trade secrets, confidential or secret formulae, special medical equipment and procedures; (iii) medical utilization reports, directly or indirectly useful in any aspect of the business of MediCard; (iv) any vendor, names, customer, member and supplier lists; (v) marketing strategies, plans, financial information or projections, operations, sales estimates, business plans and performance results relating to the past, present or future business activities of MediCard; (vi) all intellectual or other proprietary or material information of MediCard; (vii) all forms of Confidential Information including, but not limited to, loose notes, diaries, memoranda, drawings, photographs, electronic storage and computer print outs; (viii) any other information that should reasonably be recognized as confidential information of MediCard. All information which the COMPANY or MEMBER acquires or becomes acquainted with during the period of this Agreement, whether developed by MediCard or by others, which the COMPANY or MEMBER has a reasonable basis to believe to be Confidential Information, or which is treated, designated and/or identified by MediCard as being Confidential Information, shall be presumed to be Confidential Information. Confidential Information need not be novel, unique, patentable, copyrightable or constitute a trade secret in order to be designated as Confidential Information.

10. **FUTURE TAXES, LEVIES AND GOVERNMENT IMPOSITION.** If during the effectivity of this Agreement, the fees and benefits are made subject to new taxes, levies or fees, or such law, regulation or its equivalent resulted to changes in the formula or manner of computing taxes thereby resulting in additional obligations on the part of MediCard, any additional amount due shall automatically be charged to the COMPANY/Member in addition to the fees stated therein. Future taxes, levies or fees referred herein are only those that affect the quoting of ASO Fund in Schedule B (Ex. 12% VAT), other future taxes, levies or government impositions that do not affect the quoting of ASO Fund in Schedule B are therefore excluded.
11. **ARBITRATION.** Any difference arising between the COMPANY/MEMBER and MediCard shall be referred to an arbitrator to be appointed by the parties to the dispute. If the parties are unable to agree on a single arbitrator, two (2) arbitrators shall be appointed (one by each party). In the event of further disagreement, the arbitrators shall select an umpire. If the difference between the parties requires medical knowledge (including any question regarding the appropriate maximum indemnity for any medical service or an operation not listed in the schedule of surgical fees) the arbitrators at the discretion of MediCard, may be registered medical practitioners and the umpire in such an instance, shall be a consultant Specialist, Surgeon, or Physician. Determination of an award shall be a Condition Precedent to Any Liability or right of action against MediCard.
12. **AUTHORIZED SIGNATORY.** The Parties hereby represent that their respective representatives had been duly authorized by the Board of Directors to sign, execute and deliver this Agreement.

13. **SEPARABILITY.** If any term or provision of this Agreement is declared invalid, illegal or unenforceable under Philippine laws, such invalidity, illegality or unenforceability shall not affect or render unenforceable any other term or provision of this Agreement.
14. **NOTICES.** All notices, demands and other communications required or permitted hereunder shall be made in writing and sent to the Parties addresses indicated herein. All notices sent by MediCard to the MEMBER's address indicated herein shall be considered validly sent unless MEMBER has notified MediCard of the change of address.
15. **MEMBERS SATISFACTION SERVICE**
- a. All questions or concerns of MEMBERS about the medical services and benefits shall be directed to the MediCard Head Office. MEMBERS must provide complete and necessary information so that the Customer Management Assistant, Customer care Officers and/or other appropriate staff or Administrative Personnel can work with the MEMBER to resolve the MEMBER's concern in a timely manner.
 - b. An **Emergency Assistance Response Service (E.A.R.S.)** that operates on a 24 hour/day 365 day/year basis to respond to inquiries shall be available at the following telephone numbers:

Tel. No.	: 841-8080
Toll Free Nos.	: 1800-1888-9001
Text MediCard	: Key in specific information or request on your mobile phones and send to: (0917) 8512648 for Globe subscribers; (0908) 8841814 for Smart subscribers and (0922) 3822943 for Customer Management Group.
 - c. Open door policy. Direct access to a network of one thousand fifty-two (1,052) accredited hospitals/clinics nationwide, three (3) mall-based clinics, nine (9) hospital-based clinics, fifteen (15) referral desks and sixteen (16) free-standing clinics including a Head Office Clinic.
16. **RIGHT OF SUBROGATION.** MediCard medical and hospital services are extended to a MEMBER if the MEMBER's bodily injuries and fractures are claimed to have been caused by any act or omission of a third party through a motor vehicle. Provided, however, that the MEMBER executes an agreement to subrogate to MediCard whatever rights the MEMBER may have by reason of such accident or event that gave rise to such claim to the extent of the value of the services so rendered and that the MEMBER will undertake to assist MediCard in the successful recovery of the losses. The agreement to subrogate form is available at MediCard Head Office.
17. **CIVIL CODE ARTICLE 1250 WAIVER.** The provisions of Article 1250 of the Civil Code of the Republic of the Philippines (Republic Act No. 386) which reads, "In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of establishment of the obligation shall be the basis of payment", shall not apply in determining the extent of liability under the provisions of this Agreement.
18. **IMPORTANT NOTICE.** The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws related to Health Maintenance Organization (HMO), and has supervision over HMOs. It is ready at all times to assist the general public in matters pertaining to HMO. For any inquiries or complaints, please contact the Public Assistance and Mediation Division (PAMD) of the Insurance Commission at 1071 United Nations Avenue, Manila with telephone numbers 632-85238461 to 70 and email address publicassistance@insurance.gov.ph. The official website of the Insurance Commission is www.insurance.gov.ph.