

Title: Fortune Medicare, Inc. vs. David Robert U. Amarin

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Facts:

David Robert U. Amarin was a cardholder/member of Fortune Medicare, Inc. (“Fortune Care”), which provided health maintenance services. Amarin’s medical coverage was under a Corporate Health Program Contract, executed on January 6, 2000, by Fortune Care and the House of Representatives, where Amarin was employed.

In May 1999, while on vacation in Honolulu, Hawaii, Amarin underwent an emergency appendectomy at St. Francis Medical Center, incurring professional and hospitalization expenses totaling \$9,020.14. Upon returning to Manila, Amarin sought reimbursement from Fortune Care, which only approved ₱12,151.36, based on the average cost of an appendectomy in accredited hospitals in Metro Manila. Amarin protested and requested further reimbursement based on American standards per the contract’s provisions, but was denied.

Amarin filed a complaint for breach of contract with the RTC of Makati City, Branch 66.

Procedural Posture:

1. **RTC’s Decision (May 8, 2006)**: The RTC dismissed Amarin’s complaint, concluding the reimbursement should be based on Philippine standards according to Section 3, Article V of the Health Care Contract. The RTC considered the amount already paid as complying with the contract.
2. **Appeal to the CA**: Amarin appealed, and on September 27, 2010, the CA reversed the RTC’s decision, ruling in favor of Amarin and ordering Fortune Care to reimburse 80% of his actual expenses incurred in Hawaii.
3. **Fortune Care’s Motion for Reconsideration**: Denied by the CA on February 24, 2011.
4. **Petition for Review**: Fortune Care filed a petition for review on certiorari to the Supreme Court.

Issues:

1. Whether the phrase “approved standard charges” in the Health Care Contract refers to the Philippine standard or is subject to interpretation.
2. Whether the CA erred in concluding that Fortune Care’s liability should use the American

Standard for the payment of medical and hospitalization expenses and professional fees incurred by Amarin in Hawaii.

Court's Decision:

The Supreme Court denied the petition and affirmed the CA's decision, ruling that:

1. **Interpretation of "Approved Standard Charges"**:

- The phrase "approved standard charges" is ambiguous and must be interpreted in favor of Amarin.
- The Health Care Contract anticipated emergency care in foreign territories and should only limit Fortune Care's liability in terms of percentage (80%) of the approved charges regardless of the location.

2. **Standard of Reimbursement**:

- The contract did not explicitly limit "standard charges" to Philippine standards.
- Liberal interpretation favors the member, meaning Amarin was entitled to reimbursement based on actual expenses incurred abroad, limited only by the 80% cap.

Doctrine:

Insurance Contract Interpretation: Health care agreements are similar to non-life insurance contracts, and any ambiguities should be construed strictly against the insurer, opting for an interpretation that favors the insured (Amarin) to afford coverage.

Class Notes:

1. **Insurance Contract Doctrine**:

- Contracts of adhesion: Ambiguity must be construed against the party that prepared the document (Fortune Care).
- Liberal Construction: Favor the insured/subscriber in case of ambiguous provisions.

2. **Relevant Statutes**:

- **Philamcare Health Systems, Inc. v. CA**: Health care agreements are considered non-life insurance contracts.
- **Blue Cross Health Care, Inc. v. Spouses Olivares**: Same standards of interpretation for limitations on liability apply to health care agreements.

Historical Background:

The case is contextualized within the ongoing legal interpretation of health care insurance contracts in the Philippines, emphasizing patient protection against insurer-drafted

ambiguities. This judicial outlook seeks to ensure insured parties receive fair coverage, aligning with broader global trends favoring consumer rights in health insurance matters.