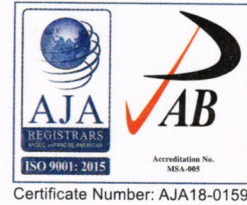




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Department of Finance  
**INSURANCE COMMISSION**  
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**PRESS RELEASE**  
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## **HMO INDUSTRY POSTS 63% GROWTH AS OF END 2018**

Net income of the health maintenance organization (HMO) industry as of end 2018 surged by 63% to P1.65 billion as of the end of fourth quarter of 2018 from P1.01 billion in 2017, according to Insurance Commissioner Dennis B. Funa.

Medicard Philippines, Inc. reported the highest net income amounting to P706.31 million as of end 2018.

Reported assets of the HMO industry, on the other hand, reached P38.96 billion, up by 18% from P32.91 billion recorded during the same period in 2017.

Maxicare HealthCare Corporation took the top spot in terms of assets with a reported assets amounting to P9.89 billion.

The total revenue of the industry, on the other hand, grew by 15% to P45.30 billion as of end 2018 from P39.32 billion during the same comparable period in 2017.

In terms of revenue, Maxicare HealthCare Corporation took the lead with a reported revenue of P14.18 billion.

According to Commissioner Funa, 96% or P43.57 billion of the revenue of the HMO industry were generated from fees paid by its members in exchange for the assumption of the risk funding members' health care services and related administrative costs.

The HMO industry likewise recorded an increase in the total membership fees paid in 2018.

"The total membership fees paid in 2018 is 14% higher than the P38.16 billion membership fees collected in 2017," Commissioner Funa said.

With a market share of 32%, Maxicare HealthCare Corporation reported the highest membership fees collected in the amount of P13.84 billion.

Commissioner Funa clarified that these data are based on the submitted interim financial statements of twenty-nine (29) HMO companies.

The Insurance Commission is currently finalizing the Standard Chart of Account (SCA) for HMOs which will serve as the financial reporting framework for HMO to ensure transparency in their financial conditions and the consistent application of existing regulations.

According to Commissioner Funa, the SCA will also provide a logical framework in the determination of the allocation and use of funds of HMOs in compliance with the rules and regulations promulgated by the IC.

Commissioner Funa likewise announced that the Insurance Commission will be implementing additional reporting requirements for HMO companies.

He said, "In order for the Commission to have a complete picture of the HMO industry, HMO companies are now required to submit comparable data relating to enrollment of members. Specifically, HMOs are now required to provide data on the number of clients, policies, members, principals, and dependents."

According to Commissioner Funa, these data are valuable in understanding the role of HMOs and their effect on the market for health services.

Commissioner Funa likewise mentioned that the Insurance Commission is currently drafting a regulation which seeks to require HMOs to establish and maintain a claims register which shall contain details of all claims made under HMO contracts.

  
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