CIRCULAR LETTER

TO : ALL HEALTH MAINTENANCE ORGANIZATIONS (HMOs) DOING BUSINESS IN THE PHILIPPINES

SUBJECT : AMENDMENT TO THE PROVISIONS OF CIRCULAR LETTER (CL) NO. 2017-19 ON THE GUIDELINES ON THE APPROVAL OF HMO PRODUCTS AND FORMS AFFECTING LONG-TERM HMO PRODUCTS AND CORRESPONDING PROHIBITION ON THE SALE THEREOF

WHEREAS, HMOs were given one (1) year from the effectivity of Circular Letter No. 2017-19 dated 31 March 2017, or until 31 March 2018, to amend their existing HMO products and corresponding Agreements and contract forms and submit the same to this Commission for approval; otherwise, the same can no longer be sold after the expiry of said period.

WHEREAS, this period was extended from 31 March 2018 until 30 April 2018 and 30 June 2018 pursuant to Circular Letter No. 2018-20 dated 27 March 2018 "[in] consideration of the request of the associations of HMOs and to give the Commission more time to evaluate and approve HMO products and corresponding Agreements and contract forms without disadvantaging HMOs x x x";

WHEREAS, in the meantime, certain issues as regards long-term HMO products have emerged and were brought to the attention of this Commission;

WHEREAS, in order to address these issues, this Commission constituted a Long-Term HMO Product Guidelines Formulation Committee that is tasked to determine the legal and financial viability of long-term HMO products; and if found viable, to craft a circular letter on guidelines that HMOs selling long-term products will need to observe;
WHEREAS, pending results of the extensive study being conducted by the Long-Term HMO Product Guidelines Formulation Committee and the eventual intended issuance of the circular letter mentioned in the immediately preceding paragraph, this Commission finds that there is a need to suspend the 30 April 2018 deadline, but only insofar as the submission of the amended Agreements and contract forms of long-term HMO products is concerned;

NOW THEREFORE, pursuant to the power granted to the Insurance Commissioner to “issue rules and guidelines, with respect to x x x registration of contracts and plans x x x” under Section 4 (a) of Executive Order No. 192, s. 2015 dated 12 November 2015, the undersigned hereby issues the following guidelines, *viz*:

1. **Suspension of Deadlines.** – To afford time for the Long-Term HMO Product Guidelines Formulation Committee constituted by this Commission to conclude its study as regards the issues with respect to long-term HMO products and to draft a circular letter on the guidelines on the approval of said long-term products, the deadlines (30 April and 30 June 2018) provided for under Circular Letter No. 2018-20 dated 27 March 2018 with respect to the submission of the amended Agreements and contract forms of *LONG-TERM* HMO products and corresponding prohibition on the sale thereof under Section 8 of Circular Letter No. 2017-19 dated 31 March 2017 are hereby **suspended indefinitely**.

This suspension shall apply to the submission of **AMENDED AGREEMENTS AND CONTRACT FORMS OF LONG-TERM HMO PRODUCTS ONLY**; and shall not apply to the required submissions of amended Agreements and contract forms of other classifications or types of HMO products.

2. **Suspension of Circular Provisions.** – Existing Long-term HMO Agreements and contract forms shall, in the meantime, be excluded from the purview of Section 3 (b), (c), (d), and (h) and the Transitory Provisions (Section 8) of Circular Letter No. 2018-20 dated 27 March 2018, until such time that the suspension under Section 1 of this Circular Letter is lifted.

3. **Effectivity.** – This *Circular Letter* shall take effect immediately.

For the information and guidance of concerned parties.

[Signature]

DENNIS B. FUNA
Insurance Commissioner

LSG/CRL/jrl/afpv