



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Legal Opinion (LO) No.	2021-13
Date:	02 November 2021

ATTY. NIÑANETTE A. BANAL

Chavez Hechanova Lim Law Offices
Unit 7D, 7th Floor Corinthian Plaza
Paseo De Roxas cor. Gamboa St.
Legaspi Village, Makati City 1229

SUBJECT: Request for Opinion
(Amendment of HMO Agreement)

Dear **Atty. Banal**:

This pertains to your letter dated 18 June 2021 requesting for an opinion on whether an Insurance Commission ("IC")-approved HMO Agreement may still be amended.

As stated in your letter, your client intends to avail the health insurance plan of Medicaid Philippines, Inc. ("Medicaid"), a duly registered Health Maintenance Organization ("HMO"), for its employees. Accordingly, Medicaid furnished your client a copy of the Corporate Health Program Agreement ("Agreement"). Your client then sought your Firm's assistance to review the agreement whereby comments and amendments to the agreement, which are intended to enhance their rights, were proposed. However, after receipt by Medicaid of the proposed amendments, it alleged that the agreement can no longer be amended as it has already been approved by the IC.

Thus, your request for a legal opinion.

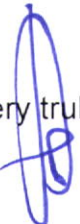
After a careful evaluation, please be informed that an IC-approved HMO Agreement may still be amended provided that the proposed amended agreement is applied for and approved by the IC in accordance with Circular Letter ("CL") No. 2017-19, entitled "Guidelines on the Approval of HMO Products and Forms".

Section 4 of the said Circular provides that "No HMO product shall be sold unless its Agreement and contract forms have been approved by the IC".

Applying the above to your query, this Commission finds that an IC-approved HMO Agreement may still be modified by both parties provided that such agreement is approved by the IC in accordance with the requirements laid down under CL No. 2017-19 and provided further that the same is approved prior to its execution.

Please note that the above opinion rendered by this Commission is based solely on the particular facts disclosed in the query and relevant solely to the particular issues raised therein and shall not be used, in any manner, in the nature of a standing rule binding upon the Commission in other cases whether for similar or dissimilar circumstances.

Please be guided accordingly.

Very truly yours,


DENNIS B. FUNA
Insurance Commissioner

