



Legal Opinion (LO) No.:	2022-16
Date:	14 October 2022

**ATTY. JEROME L. FLOJO**  
Level F, Williams Center Building  
Mayflower St. corner Williams St.  
Mandaluyong City  
[attyjeromeflojo@gmail.com](mailto:attyjeromeflojo@gmail.com)

Subject:        **Intended Arrangements Between Capitol  
Medical Center, Inc. and Certain Providers**

Dear **Atty. Flojo**:

This refers to your letter dated 08 July 2022 requesting for a legal opinion in relation to the intended arrangements between your client, Capitol Medical Center (“Capitol”), and two providers. Per your letter, Provider #1 is a duly licensed Health Maintenance Organization (HMO) for 2022 which shall promote and sell through its online platform Maternity Packages at a specific price and with a validity of one (1) year from date of purchase. Under the first intended arrangement, Capitol shall be one of the hospitals accredited by Provider #1 to provide the medical services covered by the Maternity Packages.

Meanwhile, Provider #2 is not a registered HMO and intends to launch an online platform where they can advertise for sale the products and services of different vendors. Capitol was invited by Provider #2 to develop out-patient service packages consisting of different laboratory exams and imaging procedures.

In view of the foregoing, you sought the Insurance Commission’s legal opinion with respect to the nature of the intended arrangements, to wit:

“Based on the foregoing premises, I would like to request for the Commission’s opinion on the following:

- a.) Whether the Packages to be sold by Provider #1, would be deemed as pre-need plans;

- b.) Whether the Products to be sold by Provider #2 would be deemed as pre-need plans;
- c.) Whether my Client would be deemed to be performing activities of a Health Maintenance Organization in pursuing the prospective agreement with Provider #1
- d.) Whether my Client would be deemed to be performing activities of a Health Maintenance Organization in pursuing the prospective agreement with Provider #2; and
- e.) If the answer to any of the queries above is in the affirmative, what would be the requirements, if any?"

After careful consideration of your request for legal opinion and the facts pertinent to the said request, this Commission is constrained to deny your request for the issuance of a legal opinion.

As provided in Circular Letter No. 2017-13 or the "Guidelines in the Processing of Requests for Legal Opinion", the Commission, in its discretion, may refrain from rendering an opinion in certain cases. As provided in Section 4 thereof:

**"Section 4.** The Commission, in its discretion, may refrain from rendering opinion on the following:

- 2. Queries which are too general in scope or hypothetical, abstract, speculative and anticipatory in character and those pertaining to undisclosed entities;

x x x

- 6. Questions which will require determination of factual issues or mixed questions of fact and law;

x x x

- 10. The request will entail gathering of legal materials or writing abstract essay for the requesting party since the Commission cannot function or resemble as legal counsel of private firms; and

- 11. Other analogous circumstances which the Commission deems to be with transcendental importance."

The subject queries in your request are anticipatory in character and involve undisclosed entities. Hence, the Commission cannot adequately assess the nature of the business operations of these undisclosed entities vis-à-vis the capacity in which Capitol will be acting in relation to the intended agreements.

In addition, resolving your queries with respect to the operations and respective capacities of Capitol and the undisclosed providers under the intended

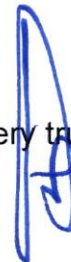
agreements will necessitate the determination of factual issues or mixed questions of fact and law. Such determination cannot properly be made considering the non-disclosure of the identities of the providers, as well as the non-submission of the full terms and conditions of the proposed arrangements between Capitol and the providers.

Finally, answering the queries in your letter-request will entail writing an abstract essay for the requesting party, which is a ground for refraining from rendering a legal opinion under CL No. 2017-13.

The foregoing considered, the Commission is constrained to refrain from rendering a legal opinion on the present subject matter, in accordance with Section 4 of CL No. 2017-13. Nevertheless, should you have further queries on licensing and product approval requirements, you may refer to the procedures and requirements set forth in the Citizen's Charter, as published in the Insurance Commission's website.

Please be guided accordingly.

Very truly yours,



**DENNIS B. FUNA**  
Insurance Commissioner

