



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



**PRESS RELEASE**  
**11 October 2022**

**HMOs PAY 22.43% MORE HEALTHCARE BENEFITS  
AND CLAIMS IN Q1 2022 VS PREVIOUS YEAR**

Based on unaudited interim financial statements submitted by thirty (30) health maintenance organizations (HMOs), said industry paid 22.43% more healthcare benefits and claims as of the quarter ending on 31 March 2022 (“Q1 2022”) amounting to ₱9.48 billion vis-à-vis ₱7.74 billion paid as of the quarter ending on 31 March 2021 (“Q1 2021”).

“Accordingly, said growth in Healthcare Benefits and Claims paid resulted in a 15.90% increase in the industry’s Total Expenses including income tax in Q1 2022,” said Insurance Commissioner Dennis Funa.

The HMO industry’s Total Assets likewise slightly increased year-on-year by 4.60%, from ₱66.56 billion in Q1 2021 to ₱69.62 billion in Q1 2022.

“The increase in the industry’s Total Assets is attributable to increases in the ‘Financial Assets at Fair Value through Profit or Loss (FVPL)’, ‘Investment Property’, and ‘Property and Equipment’ accounts by 19%, 14.24% and 13.48%, respectively. Moreover, ‘Other Assets’ increased by 79.39% and ‘Prepayments’ decreased by 23.45%,” explained Commissioner Funa.

The industry’s Total Invested Assets, on the other hand, slightly contracted by 1.36% year-on-year, from ₱26.61 billion in Q1 2021 to ₱26.25 billion in Q1 2022.

“Despite the year-on-year growth of the industry’s ‘Financial Assets at FVPL’ and ‘Investment Property’, a huge decline by 52.50% in ‘Cash Equivalents’ was observed in Q1 2022 amounting to ₱3.6 billion; thus the HMO industry’s Total Invested Assets decreased by 1.36%,” Commissioner Funa noted.

Meanwhile, the HMO industry’s Total Equity, Total Liabilities, and Total Revenues also slightly grew in Q1 2022 as compared with Q1 2021, by 6.09%, 4.17%, and 8.52%, respectively.

The HMOs’ Total Equity increased from ₱15.14 billion in Q1 2021 to ₱16.06 billion in Q1 2022, primarily because of a 54.54% increase in the industry’s Total Capital Stock.

Insofar as the growth in Total Liabilities from ₱51.42 billion in Q1 2021 to ₱53.56 billion in Q1 2022 is concerned, this is attributable to increases in 'Notes Payable', 'Administrative Services Only (ASO) Fund', and 'Pension Obligation' by 176.38%, 77.56%, and 45.55%, respectively, as well as a 187.03% increase in 'Other Liabilities', year-on-year. 'Unearned Membership Fees', which consists 41.88% of the Total Liabilities, increased 5.03% year-on-year.

Moreover, the slight increase in 'Membership Fees' of 8.77% year-on-year led to the 8.52% increase in the industry's Total Revenue, from ₱12.79 billion in Q1 2021 to ₱13.88 billion in Q1 2022.

The increase in Total Revenue notwithstanding, the HMO industry's Total Net Income contracted by 44.61% from ₱1.56 billion in Q1 2021 to ₱863.99 million in Q1 2022, mainly due to the industry's higher Total Healthcare Benefits and Claims paid, as previously mentioned.

It will be recalled that the regulation and supervision of the HMO industry was transferred to the Insurance Commission from the Department of Health ("DOH") by virtue of Executive Order No. 192, Series of 2015, issued by then President Benigno S. Aquino III.



**ATTY. ALWYN FRANZ P. VILLARUEL**  
Media Relations Officer  
afp.villaruel@insurance.gov.ph