



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



NOTICE TO THE PUBLIC

Please be informed that the Insurance Commission, in a letter dated 10 October 2023, issued a **CEASE AND DESIST ORDER** against **CAREHEALTH PLUS SYSTEMS INTERNATIONAL, INC.** due to the Commission's finding that its operation unjustly caused grave and irreparable injury to its clients owing to its failure to comply with its contractual obligations.

CAREHEALTH PLUS SYSTEMS INTERNATIONAL, INC. is a licensed Health Maintenance Organization (HMO) with known principal address at Mezzanine, Grand Rivera Suites, Roxas Boulevard corner Padre Faura Street, Ermita, Manila, and currently operates several branches within the Philippines.

The Cease and Desist Order only covers the selling of HMO Products and transacting of new HMO business, and **DOES NOT preclude the servicing of existing HMO contracts with its members/clients and/or receipt of payments due from existing HMO contracts.**

For queries relative to the above, kindly call **8523 8461 local 115** or e-mail us at **repd@insurance.gov.ph**.

For the information and guidance of the general public.

Manila, Philippines. **OCT 17 2023**


REYNALDO A. REGALADO
Insurance Commissioner





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INSURANCE COMMISSION
1071 United Nations Avenue
Manila



10 October 2023

MR. GEOFFREY M. MARTINEZ
President and Chief Executive Officer
CareHealth Plus Systems International, Inc. (Carehealth)
Mezzanine, Grand Rivera Suites
Roxas Blvd., cor. Padre Faura St.
Ermita, Manila

SUBJECT: Cease and Desist Order Against Carehealth

Dear **Mr. Martinez:**

The Insurance Commission (Commission) acknowledges receipt of your supplemental explanation dated 20 September 2023, received by the Commission on 21 September 2023.

While the submission of the supplemental explanation was pursuant to the investigation of numerous reports against Carehealth for its failure to provide services to its members, recent developments, however, escalated the matter as more complaints against Carehealth have further surfaced.

Records show that the Commission, through the Public Assistance and Mediation Division, has a total of sixty-six (66) pending complaints against Carehealth. It also appears that some notable complaints involve corporate accounts. To name a few are the following: (1) the Department of Agrarian Reform Employees Association (DAREA), Regional Office X; (2) the Office of the Solicitor General Provide Fund (OSGPF); and (3) the Office of the President–Presidential Management Staff (OP-PMS).

In its letter dated 29 September 2023, DAREA – Regional Office X is terminating the services of Carehealth due to your company’s “inability to cater [to] their needs.”

Meanwhile, in a letter dated 19 September 2023, the OSGPF reports that its members experienced the following:

- a. Non-recognition of Carehealth's Letters of Authority (LOA) with different healthcare providers;
- b. Concerns on the status of the accreditation of preferred hospitals/doctors;
- c. Delayed action and/or inaction on LOA applications;
- d. Unclear process of consultation/referral; and
- e. Delayed and/or inaction on request for reimbursements.¹

The OP-PMS shares the same predicament and found from its members that, among others –

- a. Out-patient laboratories cannot be done in hospitals;
- b. Refusal of most hospitals in Metro Manila to accept Carehealth card; and
- c. Difficulty in finding clinics and hospitals that still accept Carehealth.²

By virtue of Executive Order No. 192 (s. 2015)³ in relation to Circular Letter (CL) No. 2019-28 dated 21 June 2019,⁴ let it be emphasized that the Commission has the power to issue a cease and desist order, *motu proprio* and without the necessity of a hearing, to prevent fraud and grave or irreparable injury or prejudice to the public.⁵

Moreover, Republic Act (RA) No. 11765, or the "*Financial Products and Services Consumer Protection Act*," bestows upon the Commission the same authority to issue a cease and desist order, without the necessity of a hearing, against a financial service provider if its act or practice, unless restrained, amounts to fraud or may unjustly cause grave or irreparable injury or prejudice to financial consumers.⁶

In view of the foregoing, the Commission **FINDS** that the operation of Carehealth unjustly caused grave and irreparable injury to its clients owing to its failure to comply with its contractual obligations. For this reason, the Commission hereby resolves to **ISSUE a CEASE AND DESIST ORDER** against Carehealth.

¹ Letter dated 19 September 2023.

² Letter dated 30 August 2023.

³ Entitled, "Transferring the Regulation and Supervision Over Health Maintenance Organizations from the Department of Health to the Insurance Commission, Directing the Implementation Thereof and For Other Purposes."

⁴ Entitled, "Guidelines on the Issuance of Cease and Desist Orders (CDOs) against Health Maintenance Organizations (HMOs)."

⁵ CL No. 2019-28, § 4(e).

⁶ RA No. 11765, § 6(d)(4).

The issuance of the Cease and Desist Order is without prejudice to the pending investigation before the Regulation, Enforcement and Prosecution Division over the same subject matter.

Let this Order be posted in the website of the Commission.⁷

For your strict compliance.

Very truly yours,


REYNALDO A. REGALADO
Insurance Commissioner



⁷ CL No. 2019-28, § 4.