



PRESS RELEASE

20 May 2024

HMO health care benefits paid out increase in tandem with return to profitability

Total healthcare benefits paid out by health maintenance organizations (HMOs) amounted to Php15.05 billion in the first quarter of 2024, or a 17.3% increase from healthcare benefits paid out during the same period last year.

Despite the big increase in the payout of healthcare benefits, which is considered as expenses in the accounting records of HMOs, HMOs returned to profitability in the first quarter due to higher revenues.

For the 1st quarter, total revenues of the HMO industry amounted to Php18.68 billion, or a big 20.09% increase from total revenues during the same period last year. This resulted in a total net income of Php6.8 million.

The Insurance Commission attributed the big increase in revenues of the HMO industry to the increase in collection of membership fees, which amounted to Php17.78 billion during the 1st quarter.

For easy reference, the comparative figures on revenues, benefit payouts, and total net income/(loss) of the HMO industry are as follows:

	Q1 2024 <i>(In Million Pesos)</i>	Q1 2023 <i>(In Million Pesos)</i>	% Increase/ (Decrease)
Total Revenues	Php18,678.8	Php15,554.5	20.09
Total Membership Fees	17,771.1	15,132.7	17.44
Total Healthcare Benefits and Claims	15,053.8	12,833.7	17.30
Total Net Income/ (Loss)	6.8	(319.0)	n/a

Even if compared to figures during the immediately preceding quarter, the HMO industry increased both their total revenues, total membership fees collected, and total healthcare benefit payouts, to wit:

	Q1 2024 <i>(In Million Pesos)</i>	Q4 2023 <i>(In Million Pesos)</i>	% Increase/ (Decrease)
Total Revenues	Php18,678.8	Php17,578.6	6.26
Total Membership Fees	17,771.1	17,143.6	3.66
Total Healthcare Benefits and Claims	15,053.8	14,540.6	3.52
Total Net Income/ (Loss)	6.8	(2,122.9)	n/a

The HMO industry has also seen a substantial growth of Php71.31 billion or 10.07% in its Total Assets during the 1st quarter of 2024. Total Liabilities rose by 16.11% or to Php61.49 billion, which could be attributed to the significant increases of 15.96% in Membership Fee Reserves and 51.57% increase in Claims Reserves. Total capital stock and invested assets also increased, while the Total Equity declined due to the decline in Retained Earnings by 85.33% or by Php5.31 billion.

For easy reference, the comparative figures for total assets, liabilities, equity, capital stock and invested assets of Q1 2024 and Q1 2023 are as follows:

	Q1 2024 <i>(In Million Pesos)</i>	Q1 2023 <i>(In Million Pesos)</i>	% Increase/ (Decrease)
Total Assets	Php71,313.8	Php64,787.0	10.07
Total Liabilities	61,492.1	52,959.1	16.11
Total Equity	9,821.7	11,827.9	(16.96)
Total Capital Stock	8,140.0	5,656.9	43.90
Total Invested Assets	18,488.0	17,697.4	4.47

The above-mentioned data were collated from interim financial statements submitted by all of the twenty-four (24) HMOs which have existing licenses. **(END)**