



Circular Letter No.:	2024-18
Date:	10 October 2024
Amends:	CL No. 2016-41

CIRCULAR LETTER

**TO : ALL HEALTH MAINTENANCE ORGANIZATIONS (HMOs)
 AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES**

**SUBJECT : REGULATORY RELIEF ON THE LIQUIDITY REQUIREMENT
 UNDER CIRCULAR LETTER NO. 2016-41**

WHEREAS, Section 1.5 of Circular Letter (CL) No. 2016-41 requires HMOs to comply with the liquidity requirement by maintaining an Acid Test Ratio (ATR) of at least 1.0 at all times;

WHEREAS, due to the unprecedented 2022 net loss of ₱1.44 billion and the continued increases in healthcare costs and utilization rates in 2023, which severely impacted several HMOs' financial condition, the Commission issued CL No. 2023-24, granting regulatory relief by lowering the ATR requirement from 1.0 to 0.75 to provide HMOs more time to recover;

WHEREAS, by the end of 2023, the industry incurred an additional net loss of ₱4.27 billion, bringing the total net loss for 2022 and 2023 to ₱5.71 billion;

WHEREAS, the Commission recognizes the need to extend the regulatory relief provided by CL No. 2023-24 to give HMOs more time to recover;

NOW, THEREFORE, pursuant to the powers granted to this Commission under Section 4 of EO No. 192, the following are hereby promulgated:

SECTION 1. LIQUIDITY REQUIREMENT

HMOs shall at all times maintain an ATR of at least 0.9. The following regulatory actions shall apply:

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