



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



PRESS RELEASE

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HMO INDUSTRY POSTS SUBSTANTIAL GROWTH IN NET INCOME IN Q1 2025

The Insurance Commission recently reported an 8,441.97% growth in the Total Net Income of the Health Maintenance Organization (HMO) industry as of the quarter ending on 31 March 2025 ("Q1 2025") vis-à-vis the quarter ending on 31 March 2024 ("Q1 2024"), from ₱6.78 million to ₱579.39 million.

"This significant increase demonstrates the industry's sustained recovery from the impact of the pandemic. Notably, this growth is attributable to the 26.15% increase in collection of Membership Fees, which accounted for 97.52% of the Total Revenues of the industry," said Insurance Commissioner Reynaldo A. Regalado.

The data was obtained from unaudited financial statements submitted by 28 HMOs, which were compared with the 24 submissions in Q1 2024.

The growth in Membership Fees was stimulated by the granting of the ₱7,000.00 medical allowance for qualified government employees to avail of HMO coverage.

Meanwhile, the industry's Total Expenses (including Income Tax) grew by 20.02%, from ₱18.67 billion as of Q1 2024 to ₱22.41 billion as of Q1 2025. This is because of the 17.41% year-on-year rise in healthcare benefits and claims paid, which comprises 78.87% of the industry's Total Expenses.

"The submissions also reveal that the HMO industry's Total Assets, Total Invested Assets, Total Equity, and Total Liabilities increased during the quarter under review," stated Commissioner Regalado.

The industry's Total Assets expanded by 22.67%, or by ₱16.17 billion, from ₱71.31 billion as of Q1 2024 to ₱87.48 billion as of Q1 2025. This expansion was mainly driven by increases in Net Membership Fee Receivables, Financial Assets at Amortized Cost, and Cash in Banks, by ₱6.05 billion, ₱3.12 billion, and ₱2.08 billion, respectively. In addition, the industry's Cash on Hand and Net Deposit to Healthcare Providers also grew by 119.68% and 127.55%, respectively.

HMOs' Total Invested Assets, which comprises 21.00% of the industry's Total Assets, posted an 11.03% growth year-on-year, from ₱16.55 billion to ₱18.37 billion, as Cash Equivalents surged by 23.37% and Investments in Subsidiaries, Joint Ventures, and Associates grew by 86.92%. The 356.82% rise in Loans Receivables and the 16.55%

rise in Investments in Government Securities also contributed to the growth in Total Invested Assets.

Total Liabilities grew comparably by 22.82% year-on-year, from ₱61.49 billion as of Q1 2024 to ₱75.52 billion as of Q1 2025. This upswing resulted mainly from a 78.73% increase in Membership Fee Reserves amounting to ₱17.89 billion, which are essential for an HMO to meet its financial obligations and ensure the long-term sustainability of its operations.

The industry's Total Equity increased by 21.77%, from ₱9.82 billion as of Q1 2024 to ₱11.96 billion as of Q1 2025. This is primarily due to the increase in Retained Earnings by ₱1.10 billion or a 120.49% increase compared to the same period last year.

“These statistical growths are not just mere numbers. They are reassuring indicators that the HMO industry continues to be a strong and reliable industry that affords Filipinos with healthcare security, ultimately uplifting Filipino lives,” Commissioner Regalado highlighted.

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