

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 4729**



---

**Introduced by Rep. Precious Hipolito Castelo**

---

**EXPLANATORY NOTE**

While there is a prevailing scheme of accreditation as would govern the administration and operation of health maintenance organizations, it is only to the extent that a 'Clearance to Operate' is issued by, at present, the Department of Health, specifically, the Office for Health Facilities Standards and Regulations.

Health management organizations are akin to business entities that arrange for pre-paid health care services for their members by contracting with hospitals, physicians and other health professionals for their services.

The members who are provided with medical services are those duly enrolled with these HMOs who may be as out-patient or in-patient. However, there are instances that bona fide cardholders do not get to avail of their maximum benefits that they should otherwise enjoy by way of exemptions.

To this end, there must be a regulatory commission to take charge of multi-faceted problems that now plague this industry as the ones that serve as medical services providers in the broad sense of the term.

The commission so created shall be able to address various humiliating experiences of patients that could have otherwise been remedied or fully addressed since in the absence of such regulatory body, these problems will continue to permeate this health concern by an increasing number of current or prospective enrollees.

The immediate enactment of this bill is most earnestly sought.

  
**PRECIOUS HIPOLITO CASTELO**

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 4729**

---

**Introduced by Rep. Precious Hipolito Castelo**

---

**AN ACT**  
**CREATING THE HEALTH MANAGEMENT ORGANIZATIONS REGULATORY**  
**COMMISSION AND APPROPRIATING FUNDS THEREFOR**

*Be it enacted in the Senate and the House of Representatives of the Republic of the Philippines in Congress assembled:*

SECTION 1: This Act shall be known as the "Health Management Organizations Regulatory Commission."

SEC. 2. There is hereby created this independent Health Management Organizations Regulatory Commission.

SEC. 3. For purposes of this Act, the Commission shall provisionally adopt its mandate, control supervision and authority over all health management organizations from the hitherto existing Office for Health Facilities Standards and Regulations and the Rules and Regulations on the Supervision of Health Maintenance Organizations as set forth pursuant to Administrative Order No. 34 of the Department of Health;

*Provided*, that after two years of transition in the administration and operation of all health management organizations throughout the country, said Commission shall automatically evolve as independent in its overall administrative and operations functions as the proper regulatory agency.

SEC. 4. Thenceforth, the Health Management Organizations Regulatory Commission shall issue new set of supervisory and regulatory guidelines, rules and regulations to effectively implement the provisions of this Act.

SEC. 5. All laws, decrees, issuances, executive orders, rules and regulations inconsistent with the provision of this Act are hereby repealed or modified accordingly.

SEC. 6. This Act shall take effect upon its publication in the Official Gazette and in at least three newspapers of general circulation thirty (30) days upon its approval.

Approved,