



Republic of the Philippines
Department of Health

OFFICE OF THE SECRETARY

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Administrative Order
No. 36 s. 1996

Subject : AMENDMENT TO ADMINISTRATIVE ORDER NO. 34
DATED JULY 20, 1994 ON THE RULES AND
REGULATIONS ON THE SUPERVISION OF HEALTH
MAINTENANCE ORGANIZATIONS.

Section 7 **Application Requirements.** The Department through the Office for Health Facilities Standards and Regulation shall supply a standard application form to be filled out by each applicant HMO. Each application for clearance shall be accompanied by the following:

7.1 A statement of the HMO's capitalization duly certified and attested by the Securities and Exchange Commission (SEC), or the Cooperative Development Authority (CDA), or THE LOCAL GOVERNMENT UNIT (LGU), as the case may be;

7.1.1 FOR INVESTOR-BASED HMO OPERATING AS A STOCK CORPORATION, A MINIMUM CAPITALIZATION OF TEN MILLION (P10,000,000.00) PESOS SHALL BE REQUIRED.

7.1.2 FOR COOPERATIVE HMO OPERATING AS NON-STOCK OR NON-PROFIT, A MINIMUM CAPITALIZATION OF THREE HUNDRED THOUSAND (P300,000.00) PESOS SHALL BE REQUIRED.

Section 15

Transitory Provision. HMOs which have been registered with the Securities and Exchange Commission, or the Cooperative Development Authority; OR THE LOCAL GOVERNMENT UNIT :

- 15.1 PAID UP CAPITALIZATION REQUIRED SHALL BE COMPLIED WITH BY HMOs APPLYING FOR INITIAL CLEARANCE TO OPERATE. The Clearance will be issued only upon compliance with the requirement prescribed above.
- 15.2 ALL HMOs THAT HAVE BEEN GRANTED AN INITIAL CLEARANCE TO OPERATE PRIOR TO THE EFFECTIVITY OF THIS PARTICULAR PROVISION OF THESE RULES AND REGULATIONS SHALL BE GIVEN A PERIOD OF ONE YEAR FROM THE EFFECTIVITY OF THESE AMENDMENT WITHIN WHICH TO COMPLY WITH THE CAPITALIZATION REQUIREMENT.
- 15.3 FAILURE TO COMPLY WITH THE CAPITALIZATION REQUIREMENT SHALL BE A GROUND FOR NON-RENEWAL OF THE CLEARANCE TO OPERATE.

All the other provisions of Administrative Order No. 34 s. 1994 still stand in effect.

This order shall take effect immediately.


CARMENCITA N. REODICA, M.D., M.P. H., CESO II
Secretary of Health