



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Government

No: 470/GO
Vientiane Capital, dated 17 October 2012

Decree On National Health Insurance

(Provisional Unofficial Translation)

Published by: National Health Insurance Bureau
Supported by: World Health Organization



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Government

No: 470/ GO

Vientiane Capital, dated 17 October 2012

Decree

On National Health Insurance

- Pursuant to Law on Government of the Lao PDR No. 02/NA, dated 06 May 2003;
- Pursuant to Law on Health Care No. 09/NA, dated 9 November 2005;
- Pursuant to Law on Labour No. 06/NA, dated 27 December 2006;
- Pursuant to the letter of proposal No. 660/MOH, dated 3 May 2012, of Ministry of Health.

Government issued Decree:

Chapter I

General Provisions

Article 1. Objective

This Decree defines principles, regulations and measures concerning the management and utilization of the national health insurance in an appropriate manner and consistent with the rule of law to ensure access to health services of insured individuals, including all ethnic groups thoroughly and equitably. The Decree aims to promote health for all and to secure a strong labor force in order to contribute to the protection and development of the nation.

Article 2. National Health Insurance

National Health Insurance (NHI) is an organization with a broad social mandate, which is composed of the Community Based Health Insurance, Health Insurance for State Authority for Social Security, Health Insurance for Social Security Organization and Health Equity Fund for the poor, and other related health financing schemes to pay for health services provided to its members under the guidance of the National Health Insurance Management Committee.

Article 3. Definitions of Terms

The terms used in this Decree shall be interpreted as follows:

1. Health insurance refers to one of the policies in the social security system that has been prescribed by the Lao Government to guarantee its members can access health services through a regular and prepaid system for health care.
2. Self-employed people refer to free entrepreneurs without monthly wages such as: farmers, merchants, small entrepreneurs, workers, accounting consultants, lawyers, accounting experts and the like.
3. Risk pooling in health expenditure refers to the building up of a solidarity fund by bringing together or merging contributions in advance in order to assist each other in sharing health expenditure when someone falls sick such as the young helping the older, the healthy helping the sick and the higher income helping the lower income or the one with no income.
4. Health Equity Fund refers to a social assistance fund which is allocated to pay health costs for persons who are on a low income who cannot enroll themselves in any kind of health insurance fund as stipulated in Article 45 and 50 of the Law on Health Care to use health services provided to the poor.
5. Premium refers to the contribution rate that people or insurance members have to pay regularly in advance to the health insurance scheme.

6. Contribution refers to the money that members, those from public and private sectors, pay in advance and regularly into the health insurance fund to guarantee that they receive health care benefits at the time of sickness on needs based on the salary or wage for those who have fixed salary and income for self-employed individuals.
7. Health facility refers to national hospitals, specialized care centers, regional hospitals, provincial hospitals, district hospitals, health centers, village drug kits and other health care facilities stipulated by the Ministry of Health.

Article 4. General Principles of the National Health Insurance

The National Health Insurance carries the following principles:

1. To contribute to the development of the National Health Insurance is the obligation of all people in the society;
2. To ensure risk pooling of health expenditures among insured members;
3. To ensure solidarity and equity for health service accessibility;
4. To ensure procedures are followed and transparency and accountability of the transactions of the National Health Insurance.

Article 5. State Policy of the National Health Insurance

The state pays attention that its budget contribution is paid appropriately into the scheme, and guarantees that policies are in place and warrants revenue tax exemption to the scheme.

The state shall provide the necessary staff as to manage, develop and extend thoroughly the National Health Insurance Scheme.

The state shall encourage and promote all internal and external economic sectors towards contributing into the NHI development in order to strengthen and enlarge the scheme.

Article 6. Scope of application

This Decree shall be used for individual and juristic entities as members of the health insurance for civil servant, enterprise, community based health insurance and health equity fund.

Chapter II

Revenue Sources of the National Health Insurance

Article 7. Revenue Sources of the National Health Insurance

The revenue sources of the National Health Insurance shall come from:

1. Contribution of individuals, juristic entities, and local and international organizations;
2. State budget;
3. Health insurance scheme from State Authority for Social Security (SASS) for civil servants;
4. Health insurance scheme from Social Security Organization (SSO) for enterprise employees;
5. Community Based Health Insurance (CBHI);
6. Health Equity Fund (HEF);
7. Other related funds; and
8. Interests yielded from saving accounts of the National Health Insurance.

Article 8. Management of Income Sources of the National Health Insurance

The income sources of the national health insurance as stipulated in Article 7 of this decree shall be managed through its fund management body with tasks related to: membership enrollment, contribution collection and funds transfer to the national health insurance as a monthly basis in accordance with the defined regulation.

Article 9. Health insurance Scheme for Civil Servants

The Health insurance Scheme for Civil Servants as mentioned in Article 48 of the Law on Health Care is a sub-fund of the State Authority for Social Security where its income is from the percentage of the premium based on the salary of all government officials, including retired individuals, veterans, disabled or handicapped individuals under the government institutions, Lao Front for National

Construction and mass organizations in order to cover the cost of health services provided at health facilities, as stipulated in the specific regulations.

Article 10. Health Insurance Scheme for Enterprise Employees

The Health Insurance Scheme for Enterprise Employees (SSO), as defined in Article 48 of Law on Health Care, is a sub-fund of the social security organization for public and private enterprise sectors where the source of revenue is from the percentage of the premium based on the salary of workers and related members to be used for health services as stipulated in the concerned regulations.

Article 11. Community Based Health Insurance

The community based health insurance as defined in Article 46 of the Law on Health Care, obtains its income from the contribution of self-employed individuals including monks, novice, clergymen, students etc at the share of 50% of the premium rate and the government shares the rest 50% to be used for health services as stipulated in the concerned regulations.

Article 12. Health Equity Fund

The Health Equity Fund is a social assistance scheme for the poor whose income is lower than the standard established for poverty eradication in the Lao PDR and who are unable to enroll in any kind of health insurance. This fund is used to cover health service costs for the poor as stipulated in the relevant regulations.

This scheme shall receive 100% of revenue sources from state contribution, individuals, juristic entities, community, and local and international organizations.

Article 13. Other Related Funds

The other related funds refers to the specific target fund or other related funds supporting national health insurance task which is permitted by the government to establish and implement funds, in particular, the cigarette control fund, among others.

Chapter III

Benefits to National Health Insurance Members

Article 14. Benefits to National Health Insurance Members

The members of the national health insurance shall gain medical benefits in accordance to regulations, such as health promotion, prevention, treatment and physical rehabilitation services as stipulated in specific regulations. The national health insurance shall be in charge of reimbursing health care expense.

Article 15. Terms of Medical Beneficiary

The person who is entitled to gain medical benefits must complete the requirements as follows:

1. Enroll as a member of the national health insurance in accordance to the schemes defined in the Law on Health Care;
2. Pay full contributions to the Health Insurance Scheme they belong to on a regular basis;
3. Properly hold the health insurance card or clear identification documents.

Article 16. Membership Registration

The registration for membership must be done at the registration unit of the Health Insurance Scheme the member belongs to prior to consolidating at the National Health Insurance Bureau. The members of the national health insurance shall receive the health insurance card as defined in specific regulations.

Article 17. Payment of Contribution into the National Health Insurance

The member of the national health insurance shall pay contributions through the health insurance scheme to which she/he belongs.

Article 18. Health Insurance Card

The health insurance card is a document certifying the national health insurance member and is issued by the National Health Insurance Office.

The members of the national health insurance shall declare their membership cards or certified documents when using health services at the health facilities to verify their eligibility of health insurance.

Chapter IV

The Management of National Health Insurance

Article 19. The National Health Insurance Organization

The National Health Insurance Organization composes of the following committees:

1. National health Insurance Management Committee at the central level;
2. National Health Insurance Management Committee at the provincial and capital levels; and
3. National Health Insurance Management Committee at the district and municipality levels.

The above committees are non-standing organizations.

Article 20. The National Health Insurance Management Committee at the central level

The National Health Insurance Management Committee at the central level (CMC) is designated by the Prime Minister in accordance with the Minister of Health's proposal to comprise of the following members:

1. Minister to the Ministry of Health, Chairman;
2. Deputy Minister to the Ministry of Labour and Social Welfare, Vice Chairman;
3. Deputy Minister to the Ministry of Finance, Vice Chairman;
4. Socio-Cultural Affairs Committee, National Assembly, Member;
5. Director General, Department of Curative, Ministry of Health, Member;

6. Director General, Department of Policy, Ministry of Finance, Member;
7. Director General, Department of Social Security, Ministry of Labour and Social Welfare, Member;
8. Chief of Cabinet, Lao Trade Union, Member;
9. Executive Directors, National Chamber of Commerce and Industry, Member; and
10. Director General, Department of Finance, Ministry of Health, Member.

The Central Management Committee of the National Health Insurance has 5 year terms.

The Central Management Committee of the National Health Insurance is authorized to request the Prime Minister to appoint the Director of National Health Insurance at the central level and to define its institution and personnel structure.

Article 21. Rights and Duties of the National Health Insurance Management Committee

The National Health Insurance Management Committee has rights and duties as follows:

1. To consider and approve the development plan, and the short-term, medium-term and long-term budgets of the national health insurance ;
2. To consider and approve the rule and regulation of the national health insurance;
3. To consider and approve the contribution rate, health care cost, and administrative cost in each period;
4. To define and approve the health facilities and provider payment mechanism;

5. To supervise, monitor, control and evaluate the implementation of the tasks related to the national health insurance;
6. To nominate the Internal Auditor, Medical Council of the national health insurance and other sectors deemed to be necessary;
7. To strengthen the relationship and cooperation with international organizations and countries in order to mobilize financial support and health insurance experience as authorized by the government;
8. To summarize and report on the implementation of the national health insurance activities to the government on a regular basis; and
9. To conduct other rights and duties as assigned by the government.

Article 22. Meeting of the National Health Insurance Management Committee (NHC)

The meeting of the National Health Insurance Management Committee shall be held at least four times a year. The meeting shall be allowed to occur only when more than half of the committee members can participate. In case of necessary and urgent matters, an extraordinary session can be opened.

The meeting of the National Health Insurance Management Committee shall be convened by Chairman of the National Health Insurance Management Committee. In the case the Chairman is not able to attend; the Vice Chairman can convene such a meeting.

The resolution of the Meeting of the National Health Insurance Management Committee shall become effective only

when it is adopted by a majority vote. In case of an equal vote, the Chairman's vote shall be decisive.

Article 23. The National Health Insurance Management Committee at the provincial and capital levels (PMC)

PMC is composed of the following representatives from related sectors:

1. Provincial Deputy Governor/ Vientiane Capital Deputy Governor, Chairman;
2. Director General, Provincial/ Vientiane Capital Department of Health, Vice Chair;
3. Director General, Provincial/ Vientiane Capital Department of Finance, Vice Chair;
4. Head of Department of Labour and Social welfare, Vice Chair;
5. Head office of Regional people's Assembly, Member;
6. Director of provincial Hospital, Member;
7. Director of Provincial/Vientiane Capital Trade Union, Member, and
8. Executive Directors of Provincial/Vientiane Capital Chamber of Commerce and Industry, Member.

PMC consists of one chairman and three vice chairmen which were nominated or dismissed by the provincial/Vientiane Capital Governor based on a proposal of "NHICMC." PMC is designated by position as stipulated in this Article. In the case that the initial designated person has been dispatched and is taking over new duties, a newly designated person can replace automatically the initial designated person.

The National Health Insurance Management Committee at the central, provincial, and capital levels has privilege and

duty for nominating the Heads of NHI office and defining its institution and personnel structure at their related levels.

Article 24. Rights and Duties of PMC

- To consider the health insurance development plan within range of its responsibility to propose to CMC for approval;
- To propose the nomination and dismissal of Chairman, Vice Chairman and members of DMC to Provincial/Vientiane Capital Governor;
- To consider and propose to the government to allocate annual budget from the government to subsidize health insurance premiums for self-employed families and individual including monks, novices, students and poor families within their respective province/Vientiane Capital.;
- To manage income and expenditure of the national health insurance at their respective levels, comply with regulations and correspond to specific objectives.
- To transfer money regularly to the central level in accordance with the proportion defined in this decree;
- To study and consider the issues proposed by DMC and partnership hospitals
- To consider and propose the adjustment of regulations and capitation rates paid to contracted hospitals to the CMC for adoption;
- To promote, supervise, monitor, and control the implementation of the National Health Insurance Fund at their respective districts ;
- To participate as a testimony in the trilateral agreement between the National Health Insurance, partnership hospitals and insured person;

- To report the progress of the National Health Insurance Schemes in their respective area to provincial governor and national health insurance bureau on monthly basis;
- To conduct regular meeting sessions quarterly. In case of an emergency, the extraordinary session can be held;
- To conduct a national meeting once a year to review the implementation of national health insurance activities over a year and define the roadmap for the year to come;
- To coordinate and cooperate with all relevant sectors to improve and develop the National Health Insurance and better quality of health services provided by partnership hospitals;
- To convey the activities related to the National Health Insurance into a monthly meeting agenda attended by the party member committee and provincial/Vientiane Capital authorities;
- To mobilize the assistance from local and international organizations and juristic entities in accordance with the rules of law;
- To exercise other rights and duties as being assigned by the provincial/Vientiane Capital Governor.

Article 25. The Management Committee of National Health Insurance at the district level (DMC)

DMC consists of representatives from different sectors as follows:

- | | |
|---|----------------|
| 1. District Vice Governor | Chairman; |
| 2. Head of the District Health Office | Vice chairman; |
| 3. Head of Labour and Social Welfare Office | Vice Chairman; |
| 4. Head of the District Finance Office | Member; |
| 5. Director of the District Hospital | Member; |
| 6. Head of the District Office of Lao Front for National Construction | Member; |
| 7. Head of District Trade Union | Member; and |

8. Head of Village Cluster

Member.

DMC comprises of one chairman and two vice chairmen who are nominated and dismissed by the district governor based on the proposal from PHC. DMC is designated by a position as stipulated in this Article. In the case of the dispatching of a former designator to take over a new position, the new designator shall replace the former automatically.

The National Health Insurance Management Committee at the district level shall be in charge of nominating the Head of the National Health Insurance Office in their respective level including the designation of institutional and personnel organization.

Article 26. The rights and duties of DMC

- To study the development plan of the National Health Insurance in their respective areas before submitting to PMC for consideration and approval;
- To propose the nomination and dismissal of the President, Vice President and Committee member of DMC to the provincial governor;
- To study and submit the proposal to the PMC for allocating funds from the annual budget to support insured members who are self-employed families and individuals, including monks, novices, students and poor families in such districts as defined in this Decree;
- To consider and resolve problems and conflicts related to health insurance activities and make a proposal to the superior level and involved authorities;
- To study and make a proposal to the PMC to adjust regulations and capitation rates paid to contracted hospitals;
- To ensure that the national health insurance is managed and used effectively in line with specific objectives and guidelines. The DMC shall be in charge of reporting to their superior level regularly as defined in specific regulation;

- To encourage and integrate the extension of HI membership coverage with the standard of village construction and development;
- To integrate the function of health insurance in the monthly meeting agenda of Party committees and district authorities;
- To be authorized as a representative of the national health insurance in signing a tripartite agreement;
- To report on the progress of NHI development under their responsibilities to the provincial governor and NHI provincial management committee on a monthly basis;
- To hold regular meetings once every three months and an extraordinary session in case of emergency;
- To hold an annual meeting to review the implementation of the national health insurance over the year and to determine the future plan;
- To pay the capitation to contracted hospitals on time and suspend the capitation payment in case of failure to comply with the contract signed by the contracted providers;
- To conduct an awareness campaign for membership expansion in order to cover all population groups in their respective districts;
- To coordinate with other stakeholders to improve and develop the national health insurance;
- To mobilize assistance from local and international organizations and individuals in accordance with the rule of law; and
- To execute other rights and duties as assigned by district authorities.

Chapter V

Administrative Authority for the National Health Insurance

Article 27. Administrative Authority for the National Health Insurance

The Administrative Authority for the National Health Insurance consists of the following:

1. Central National Health Insurance Bureau
2. Provincial and Vientiane Capital National Health Insurance Branches
3. District and Municipality National Health Insurance Branches

Article 28. Central National Health Insurance Bureau

The Central National Health Insurance Bureau (NHIB) is under the Ministry of Health and equivalent to the Department. This bureau plays the role as a secretariat to support the Central Management Committee for the National Health Insurance to manage and implement the functions or activities of National Health Insurance. The Board Director of the National Health Insurance Bureau at the central level is composed of a Director, Vice Directors and a number of staff as appropriate. The National Health Insurance Branches at local level also have their own organization and functions as determined in this Article.

Article 29. The Rights and Duties of the National Health Insurance Bureau at the central level

The Central Bureau of the National Health Insurance has the following rights and duties:

1. To serve as a secretariat of the National Health Insurance Management Committee at the central level in order to set up the short-term, mid- term and long term plans;
2. To be in charge of financial management;
3. To consider and propose to the Central National Health Insurance Management Committee to approve the increasing contributions and the provider's payment mechanism;
4. To oversee registration, collect contributions and complete financial reports on monthly, quarterly and yearly bases;

5. To consider and resolve the issues related to the National Health Insurance activities;
6. To consolidate and report on the progress of NHI implementation to the NHI Management Committee on a regular basis; and
7. To execute other rights and duties as assigned by the Central Management Committee of the NHI.

The National Health Insurance Branches at the local level shall also follow the rights and duties as specified in this Article.

Chapter VI

Financial Management and Utilization of the National Health Insurance

Article 30: Financial Management of the National Health Insurance

The national health insurance is a financial independent entity, which is allowed to have its own account through a banking system, managed centrally and followed up at the national treasury. The management of the financial system and account of such funds have to be performed concurrently with financial procedures and stated accounting practices under the guidance of NHI Management Committee.

Article 31: Utilization of the National Health Insurance

The national health insurance shall be considered for the following:

1. Health care services including promotion, prevention, treatment and rehabilitation;
2. Carrying out of other activities for the interest of NHI; and
3. Administrative costs not to exceed 10%.

Article 32: Provider Payment

The payment of the NHI to health facilities shall follow the payment mechanism as determined in the agreement between the NHI Bureau and health care providers.

Chapter VII

Prohibitions

Article 33: Prohibitions for Officials

The following behaviors of officials are prohibited:

1. Abusing authority and position for his /her own benefit and that of affiliates,
2. Falsifying documents,
3. Concealing information, and
4. Receiving bribes.

Article 34: Prohibitions for Concerned Organizations

The following behaviors of concerned organizations are prohibited:

1. Interfering or impeding the officials in the implementation of NHI,
2. Falsifying documents, and
3. Concealing information.

Article 35: Prohibitions for Health Care Providers

The following behaviors of health care providers are prohibited:

1. Abusing of authority and position for his /her own benefit and that of affiliates,
2. Falsifying documents,
3. Concealing information, and
4. Discriminating patients.

Article 36: Prohibitions for the Members of the National Health Insurance

The following behaviors of insured members are prohibited:

1. Lending of health insurance card to others instead,
2. Falsifying documents related to health care service, and
3. Bribing officials.

Chapter VIII

Conflict Resolution

Article 37: Authority in Charge of Conflict Resolution

The authority in charge of conflict resolution consists of the following:

1. Health care providers,
2. Medical council,
3. National Health Insurance Bureau at all levels, and
4. Management Committee of National Health Insurance at all levels.

Article 38: Conflicts Related to Health Insurance

Conflicts related to health insurance are the following:

1. Conflicts related to the rights and duties of health insurance tasks for each target group,
2. Conflicts related to health care services, and
3. Conflicts derived from financial costs of health care services.

Article 39: Methods of Conflict Resolution

Conflict resolution shall be implemented in compliance with the following methods:

1. By discussion or compromise;
2. Administrative resolution by health care providers, the Medical Council, the National Health Insurance Bureau and the Management Committee of the National Health Insurance; and
3. Through the court process.

Article 40: Application Procedures

The members of the National Health Insurance who find that they did not receive

health services as stipulated in the procedure have the right to submit the proposal to the conflict resolution authority at the respective level within 10 days upon the occurred conflict.

Chapter IX

Monitoring and Inspection

Article 41: Inspection Authority

1. An internal inspection authority refers to the Department of Inspection of the Ministry of Health, Provincial/Vientiane Capital Health Department, District/Municipal Health Office.
2. An external inspection authority refers to the State Inspection Authority, Ministry of Labor and Social Welfare, Ministry of Finance and other relevant sectors.

Article 42: Theme and inspection forms

Themes of inspection are the following:

1. Management and utilization of the national health insurance according to the defined targets;
2. Transparency of the utilization of the national health insurance;
3. Efficiency of utilizing funding sources; and
4. Conflict resolution among providers and consumers (patients), proposal of National Health Insurance members, organization related to general and individual health care and other relevant organizations.

Forms of Inspection are the following:

1. Regular inspection as planned,
2. Additional inspection with prior notice, and
3. Emergency inspection.

In such an inspection, the documents and the site of intervention shall be verified clearly and completely in accordance with the rule of law.

Article 43: Report

The National Health Insurance Bureau at each level shall submit the report related to the implementation of the National Health Insurance Scheme to the National Health Insurance Management

Committee and related sectors on a monthly, quarterly, semester and annual basis.

Chapter X

Official Stamp

Article 44: Official Stamp

The National Health Insurance Management Committee and the Bureau of National Health Insurance of each level have their own stamps to use in official operation.

Article 45: Logo

The National Health Insurance has its own symbol which is stipulated and designed by the Central Management Committee of the National Health Insurance.

Chapter XI

Final Provision

Article 46: Implementation

The Management Committee of National Health Insurance, Ministry of Labor and Social Welfare, Ministry of Finance, and all related sectors shall take the responsibilities to strictly implement and develop this Decree.

All ministries, ministerial-equivalent organizations, local authorities and all concerned parties shall acknowledge and strictly implement this Decree.

Article 47: Effectiveness

This Decree shall be effective from the date of its signature onwards. Any provisions, regulations, or rules which are in contradiction with this Decree are hereby repealed.

Prime Minister

Signed and sealed

Mr. Thongsing Thammavong

