

Law of the Republic of Azerbaijan

ON MEDICAL INSURANCE

This Law defines the organizational, legal and economic bases of medical insurance of the population and regulates the relations between the entities of medical insurance.

Chapter 1

General provisions

*Article 1. **Main definitions** (effective from 1 January 2020)*

1.0. For the purposes of this Law, the following definitions shall be used:

*1.0.1. **benefit package** – a set of medical services comprising of essential and additional parts provided to insured persons in the appropriate type, scope and conditions from the financial sources of compulsory medical insurance;*

*1.0.2. **essential benefit package** – primary health care services provided to insured persons in accordance with the benefit package, as well as emergency medical care;*

*1.0.3. **additional insurance package** – specialized medical care provided to the insured in accordance with the benefit package;*

*1.0.4. **insurance premium** – the amount that the policyholder agrees to pay to the insurer in the manner prescribed by this Law in exchange for assumption or allocation of risks;*

*1.0.5. **insurer** – a local legal entity or agency (organization) determined by the relevant executive authority for compulsory medical insurance, which is a party to insurance contract and has an appropriate license to perform insurance activity on the basis of the Law “On Insurance Activity” that undertakes the obligation to pay insurance indemnity as provided for in laws on compulsory insurance or insurance contract in case of occurrence of an insurance event;*

*1.0.6. **policyholder** – a person responsible for concluding the insurance contract, paying insurance premiums on its own behalf or on behalf of the insured person and having an insurable interest in the insurance of the insurance object or a party to the insurance contract in the cases provided for in this Law;*

*1.0.7. **insured person** – citizens of the Republic of Azerbaijan with compulsory or voluntary medical insurance, foreigners and stateless persons permanently or temporarily residing in the Republic of Azerbaijan;*

*1.0.8. **insurance indemnity** – the amount paid to a medical service provider, regional medical division or person carrying out pharmaceutical activity in the manner prescribed by this Law, in accordance with the benefit package and tariffs for compulsory medical insurance, and in accordance with the contract of voluntary medical insurance for voluntary medical insurance;*

1.0.9. **insurance limit** – the limit on the number of medical services provided to the insured during the insurance year in the cases provided by the benefit package under compulsory medical insurance;

1.0.10. **insurance event** – an accident or circumstance occurred or arisen during the validity of the insurance contract, which is the basis for the payment of insurance indemnity under this Law (including the use of preventive treatment methods);

1.0.11. **insurance year** – the period from 1 January to 31 December of the year in which the premium for compulsory medical insurance is paid;

1.0.12. **medical service provider** – legal entities or individuals engaged in private medical activity or private medical practice in accordance with the Law of the Republic of Azerbaijan "On Private Medical Activity", as well as legal entities or individuals engaged in pharmaceutical activity in accordance with the Law of the Republic of Azerbaijan "On Medicines";

1.0.13. **contract on financing medical services** – a contract concluded between a provider of medical services or a regional medical division and an agency (organization) determined by the relevant executive authority for the purpose of providing medical services within the framework of compulsory medical insurance;

1.0.14. **regional medical division** - a medical entity included in the state health care system of the Republic of Azerbaijan in which compulsory medical insurance is applied.

Article 1-1. **Medical insurance and its forms** (effective from 1 January 2020)

1-1.1. Medical insurance as a form of social protection of the population in the sphere of health protection ensures that the insured receive medical care and medication assistance when an insurance event occurs.

1-1.2. Medical insurance is provided in compulsory and voluntary forms.

1-1.3. Compulsory medical insurance as part of state social insurance ensures that the insured receive medical aid from the financial sources of the compulsory medical insurance within the limits of the benefit package.

1-1.4. Voluntary medical insurance ensures that insured persons receive additional medical care and medication assistance.

Article 2. **Legislation of the Republic of Azerbaijan on medical insurance**

2.1. The legislation of the Republic of Azerbaijan on medical insurance consists of the Constitution of the Republic of Azerbaijan, this Law, the Civil Code of the Republic of Azerbaijan, the laws of the Republic of Azerbaijan "On Insurance Activity", "On Compulsory Insurance" and other normative legal acts and interstate treaties to which Azerbaijan is a party.

2.2. Relations in the field of medical insurance in the Alat Economic Zone shall be regulated in accordance with the requirements of the Law of the Republic of Azerbaijan "On the Alat Economic Zone".

*Article 2-1. **Medical insurance entities** (effective from 1 January 2020)*

The entities of medical insurance are insured persons, policyholders, insurers, medical service providers and regional medical divisions.

Chapter 2

Voluntary medical insurance (effective from 1 January 2020)

*Article 3. **Insured persons under voluntary medical insurance** (effective from 1 January 2020)*

3.1. Policyholders under voluntary medical insurance are legal entities representing insured persons and their interests.

3.2. Disputes between the entities of voluntary medical insurance shall be settled administratively or judicially.

*Article 4. **Voluntary medical insurance contract** (effective from 1 January 2020)*

4.1. Voluntary medical insurance shall be carried out based on contracts concluded between the entities of voluntary medical insurance (effective from 1 January 2020).

4.2. Voluntary medical insurance contract is a written contract concluded between the policyholder and the insurers in the manner prescribed by law, which defines the procedure for financing and organizing the medical care provided to the insured in accordance with the medical insurance program, and protects other interests of the insured (effective from 1 January 2020).

4.3. The voluntary medical insurance contract shall come into force from the moment of payment of the first insurance premium.

4.4. The form of the voluntary medical insurance contract and the procedure for concluding it shall be determined by the relevant executive authority.

4.5. Regulations on the types of the voluntary medical insurance and ~~the categories of persons not covered by voluntary medical insurance~~ shall be determined by the relevant executive authority (effective from 1 January 2020).

*Article 5. **Voluntary medical insurance certificate** (effective from 1 January 2020).*

5.1. The voluntary medical insurance certificate is a document guaranteeing that the insured person receives medical care throughout the territory of the Republic of Azerbaijan, as well as in the territory of another state, which has concluded a contract with the Republic of Azerbaijan in the field of medical insurance to receive medical care in the amount not less than specified in the medical insurance program regardless of the place of residence (effective from 1 January 2020).

5.2. Citizens who are subjects of a voluntary medical insurance contract shall obtain a medical insurance certificate (effective from 1 January 2020).

5.3. *Voluntary medical insurance certificate shall be kept by the insured person and presented when applying to medical service providers (effective from 1 January 2020).*

5.4. *The form of the voluntary medical insurance certificate and the procedure for its application shall be determined by the relevant executive authority.*

Article 6. *Rights and obligations of the policyholder under voluntary medical insurance (effective from 1 January 2020)*

6.1. *The policyholder under voluntary medical insurance shall be entitled to:*

6.1.1. *conclude a contract of voluntary medical insurance in accordance with the procedure established by the relevant executive authority (organization) or terminate it;*

6.1.2. *choose the insurer independently;*

6.1.3. *oversee the fulfillment of the terms and conditions of the voluntary medical insurance contract;*

6.2. *The policyholder under voluntary medical insurance shall be obliged to:*

6.2.1. *pay insurance premiums in a timely manner;*

6.2.2. *inform the insurer about the indicators of the insured persons' state of health.*

6.3. *A voluntary medical insurance contract may also provide for other obligations for the policyholder.*

Article 7. *Rights of the insured persons under voluntary medical insurance (effective from 1 January 2020)*

7.1. *The insured persons under voluntary medical insurance shall be entitled to:*

7.1.1. *exercise the rights defined by this Law and the voluntary medical insurance contract from the moment of receiving the voluntary medical insurance certificate;*

7.1.2. *choose any medical service provider or regional medical division and doctor in accordance with the types and scope of medical care defined in the contract of voluntary medical insurance;*

7.1.3. *use the medical service according to the terms of the voluntary medical insurance contract;*

7.1.4. *receive information about the state of health, as well as applied treatment methods and their results from the medical service provider or regional medical division to which he/she applied under the contract of voluntary medical insurance;*

7.1.5. *bring a claim against the policyholder, the insurer, the medical service provider or the medical regional division, including a claim for damages caused by their fault, regardless of the terms of the voluntary medical insurance contract;*

7.1.6. *get back a part of the unused insurance premium, if it is determined by the terms of the voluntary medical insurance contract.*

7.2. *The interests of the insured in connection with voluntary medical insurance shall be protected by the agency (organization) determined by the relevant executive authority, insurers, trade union organizations and other public associations.*

7.3. *Voluntary medical insurance of citizens of the Republic of Azerbaijan living outside the Republic of Azerbaijan shall be carried out according to the international agreements to which the Republic of Azerbaijan is a party.*

Article 8. *Voluntary* medical insurance for stateless persons permanently residing in the Republic of Azerbaijan and foreigners (effective from 1 January 2020)

8.1. Stateless persons permanently residing in the Republic of Azerbaijan shall have the same rights and obligations under *voluntary insurance* like the citizens of the Republic of Azerbaijan (effective from 1 January 2020).

8.2. Foreigners shall have the same rights and obligations as citizens of the Republic of Azerbaijan in the field of *voluntary* medical insurance, unless otherwise stipulated by interstate treaties to which the Republic of Azerbaijan is a party.

~~Article 9. **Financing of compulsory medical insurance system** (effective from 1 January 2020)~~

~~The system of compulsory medical insurance shall be financed from the state budget, payments of the policyholders (legal entities and individuals engaged in entrepreneurial activity regardless of the form of ownership), fines and penalties applied in cases of violation of the payment procedure of compulsory medical insurance premiums, and other sources not prohibited by law.~~

~~Financing of the compulsory medical insurance system, maintenance of compulsory medical insurance premiums and control over the intended use of financial resources shall be carried out by the relevant executive authority.~~

Article 10. Insurance premiums in the *voluntary medical* insurance system (effective from 1 January 2020)

~~Under the compulsory medical insurance system, the policyholders shall pay compulsory medical insurance premiums for working citizens, the amount and payment procedure of which is determined by the relevant executive authority (effective from 1 January 2020).~~

~~Compulsory medical insurance premiums for non-working pensioners, the temporarily unemployed on liquidation of governing bodies and organizations, the disabled, children, students and employees of budgetary organizations shall be paid by the relevant executive authority from the budget and social protection funds, taking into account the indexation of prices for medical services.~~

The amount of insurance premiums for voluntary medical insurance shall be determined by agreement of the parties in accordance with the voluntary medical insurance program.

Article 11. *Compulsory* medical insurance program

~~The program of compulsory medical insurance determines the conditions, type, scope (essential package) of medical services provided to citizens, and is approved by the relevant executive authority. This program provides for citizens to receive medical care of a certain volume and quality.~~

Chapter 3

Activity of insurers on voluntary medical insurance (effective from 1 January 2020)

Article 12. ~~Medical insurance organization~~

~~A voluntary medical insurance organization is an insurer that has a special permit (license) in accordance with the requirements established by the legislation on insurance, regardless of its form of ownership and has the right to carry out voluntary medical insurance in accordance with this legislation.~~

~~The organization of compulsory medical insurance is a body established by the relevant executive authority to carry out compulsory medical insurance.~~

~~Medical entities cannot be shareholders of the medical insurance organization.~~

~~The taxation of the medical insurance organization shall be regulated in accordance with the legislation of the Republic of Azerbaijan.~~

~~The establishment, reorganization and liquidation of a medical insurance organization shall be carried out in accordance with the legislation.~~

Article 13. Rights and obligations of the insurer under voluntary medical insurance (effective from 1 January 2020)

13.1. The insurer under voluntary medical insurance shall be entitled to:

13.1.1. choose a medical service provider or regional medical division to provide medical care and services under voluntary medical insurance contracts;

13.1.2. partially pay medical care costs in the event of breach of contract by the medical service provider or regional medical division;

13.1.3. apply to the court for compensation of damages caused to the insured by the fault of a medical service provider, regional medical division and (or) medical worker;

13.1.4. except in cases where damage was caused by the insured, claim compensation for expenses incurred in providing medical care to the insured from individuals or legal entities liable for causing damage to the insured person's health.

13.2. The insurer under voluntary medical insurance shall be obliged to:

13.2.1. enter into contracts with a medical service provider or medical regional division to provide medical care to the insured in accordance with the contract of voluntary medical insurance;

13.2.2. issue a voluntary medical insurance certificate to the insured from the date of entry into force of the contract of voluntary medical insurance;

13.2.3. pay the medical service provider or regional medical division for medical care services in the manner and at the times specified in the contract;

13.2.4. refund to the insured a part of the insurance premiums, if it is provided by the contract of voluntary medical insurance;

13.2.5. control the scope, duration and quality of medical care provided in accordance with the terms of the contract;

13.2.6. protect the interests of the insured.

Chapter 4

Voluntary medical insurance tariffs (effective from 1 January 2020)

Article 14. Rights and obligations of medical entities and persons engaged in private medical practice

~~Medical entities operating in accordance with the law, regardless of their form of ownership, and persons engaged in private medical practice shall have the right to provide medical services under the medical insurance system.~~

~~Private medical entities and persons engaged in private medical practice may participate in the implementation of programs of compulsory medical insurance based on the competition held in accordance with the law. In the event of their participation in compulsory medical insurance programs, the relevant executive authority and local self-management bodies, as well as medical insurance organizations shall conclude contracts with private medical entities and persons engaged in private medical practice.~~

~~Medical entities implementing medical insurance programs shall have the right to provide medical care outside the medical insurance system.~~

~~Medical entities implementing the program of medical insurance in accordance with the law, or voluntary persons engaged in private medical practice, shall have the right to choose a medical insurance organization.~~

~~Under the medical insurance system, medical entities, regardless of their form of ownership, and persons engaged in private medical practice shall have the right to issue a document confirming the temporary loss of working capacity of the insured.~~

~~When implementing the medical insurance programs, medical entities regardless of their form of ownership or persons engaged in private medical practice shall:~~

- ~~— provide medical care to the insured in the period, volume and quality stipulated in the medical insurance contract;~~
- ~~- inform the medical insurance organization of any complications that may arise as a result of the insured person's illness, as well as identified due to the fault of the insured person;~~
- ~~- protect the confidentiality of information about the health or personal life of the insured.~~

~~Under the system of compulsory medical insurance, medical entities or persons engaged in private medical practice in accordance with the law shall have no right to demand from the insured additional charges for medical services provided by the medical insurance contract.~~

~~Regardless of the participation of private medical entities in programs of compulsory medical insurance, payments to private medical entities providing emergency medical care under the rules of compulsory medical insurance shall be made by the medical insurance organizations in which the individuals are insured.~~

Article 15. **Tariffs for medical services under *voluntary medical insurance*** (effective from 1 January 2020)

~~Tariffs for medical services in the compulsory medical insurance system shall be determined by the relevant executive authority (effective from 1 January 2020).~~

~~Tariffs shall ensure the profitability of medical entities and the modern level of medical care provided for in the medical insurance contract.~~

Tariffs for medical services under voluntary medical insurance shall be determined by agreement between the *insurer* and the *medical service provider* or *medical regional division* (or private medical practitioner) providing these services (effective from 1 January 2020).

Chapter 4-1. Compulsory medical insurance (effective from 1 January 2020)

Article 15-1. Main principles of compulsory medical insurance

15-1.0. The main principles of compulsory medical insurance are:

15-1.0.1. *guaranteeing by the state the right of the population to receive medical services, as well as increasing the availability and quality of medical services;*

15-1.0.2. *ensuring the participation of policyholders in relations of compulsory medical insurance based on the principle of solidarity;*

15-1.0.3. *in the case of an insurance event, providing medical services to the insured from the financial sources of compulsory medical insurance within the benefit package;*

15-1.0.4. *protecting the financial stability of compulsory medical insurance by ensuring the proportionality of insurance premiums to insurance payments;*

15-1.0.5. *compulsory regular payment of insurance premiums by the policyholders;*

15-1.0.6. *legal equality of participants of compulsory medical insurance.*

Article 15-2. Policyholders and insured persons under compulsory medical insurance

15-2.1. *Citizens of the Republic of Azerbaijan, foreign individuals permanently or temporarily residing in the Republic of Azerbaijan, and stateless persons shall be considered insured under the essential benefit package.*

15-2.2. *With respect to the essential benefit package, the policyholder is a body (organization) designated by the relevant executive authority.*

15-2.3. *The insured persons shall be divided into the following categories under the additional benefit package:*

15-2.3.1. *individuals appointed by the body (organization) designated by the Milli Majlis of the Republic of Azerbaijan, and the relevant executive authority, as well as individuals employed in elected remunerated positions;*

15-2.3.2. individuals working under employment contracts concluded and entered into force in accordance with the Labor Code of the Republic of Azerbaijan with the policyholders operating in the oil and gas sector and belonging to the public sector;

15-2.3.3. in cases of employment not on the basis of an employment contract concluded and entered into legal force in accordance with the Labor Code of the Republic of Azerbaijan, or a civil law contract in accordance with the Civil Code of the Republic of Azerbaijan and the absence of entrepreneurial activity:

15-2.3.3.1. citizens of the Republic of Azerbaijan under the age of 18;

15-2.3.3.2. citizens of the Republic of Azerbaijan up to the age of 23 who are studying in the form of formal education in vocational, specialized secondary or higher educational establishments;

15-2.3.3.3. individuals receiving labor pension regardless of type according to the Law of the Republic of Azerbaijan "On Labor Pensions";

15-2.3.3.4. individuals deprived of their ability to work and entitled to social benefits according to the Law of the Republic of Azerbaijan "On Social Benefits";

15-2.3.3.5. members of families receiving targeted state social assistance in accordance with the Law of the Republic of Azerbaijan "On Targeted State Social Assistance";

15-2.3.3.6. pregnant women registered in regional polyclinics and antenatal clinics, as well as women within 42 days after childbirth;

15-2.3.3.7. women on partially paid social leave under the Labor Code of the Republic of Azerbaijan;

15-2.3.4. individuals engaged in entrepreneurial activity;

15-2.3.5. individuals performing works (services) based on civil law contracts;

15-2.3.6. other persons except for the persons specified in Articles 15-2.3.1 – 15-2.3.5 of this Law.

15-2.4. The policyholder in respect to individuals appointed to office by the body (organization) designated by the Milli Majlis of the Republic of Azerbaijan and the relevant executive authority shall be the state body (organization) to which they were appointed, the policyholder in respect to individuals holding electoral paid office shall be the state or municipal body (organization) in which they are elected, and the policyholders in the case of insured persons working in the entities related to oil and gas sector and to the budget under the terms of an employment contract concluded and entered into force in accordance with the Labor Code of the Republic of Azerbaijan, shall be the relevant employers.

15-2.5. The authority (organization) designated by the relevant executive authority shall act as a policyholder in respect of persons provided for in Article 15-2.3.3.

15-2.6. The insured persons referred to in Articles 15-2.3.4 - 15-2.3.6 of this Law shall themselves act as policyholders.

15-2.7. The scope of individuals not covered by this Law shall be determined by the body (organization) designated by the relevant executive authority.

15-2.8. The criteria for oil and gas and public sector activities provided for in this Article shall be determined by the body (organization) determined by the relevant executive authority.

Article 15-3. Participation of regional medical divisions and medical service providers in compulsory medical insurance

15-3.1. Medical service providers or regional medical divisions that meet the requirements established by the body (organization) determined by the relevant executive authority shall have the right to participate in compulsory medical insurance.

15-3.2. The assessment of compliance of medical service providers or regional medical divisions with the requirements determined under Article 15-3.1 of this Law shall be carried out by the body (organization) determined by the relevant executive authority.

15-3.3. An agreement on the financing of medical services shall be concluded between the body (organization) determined by the relevant executive authority and the medical service provider or regional medical division that meets the requirements determined under Article 153.1 of this Law.

Chapter 4-2. Rights and obligations of participants of compulsory medical insurance

Article 15-4. Rights and obligations of insured persons under compulsory medical insurance

15-4.1. The insured persons under compulsory medical insurance shall be entitled to:

15-4.1.1. use medical services in accordance with the essential or additional benefit package established by this Law in the event of an insurance event;

15-4.1.2. choose a medical service provider or regional medical division that meets the requirements stipulated in Article 15-3.1 of this Law;

15-4.1.3. request the provision of accurate information about the type, scope, period, quality and conditions of the provided medical service from the medical service provider or regional medical division;

15-4.1.4. require that information constituting medical secrecy be kept confidential in accordance with the Law of the Republic of Azerbaijan "On Protection of Public Health";

15-4.1.5. claim reimbursement from the medical service provider or regional medical division for losses caused by the fault of the medical service provider or regional medical division;

15-4.1.6. apply to a body (organization) or a court, determined by the relevant executive authority, to protect rights and legitimate interests in the sphere of compulsory medical insurance;

15-4.1.7. receive information about insurance benefits paid in favor of;

15-4.1.8. demand that the insurer explain its rights and obligations under compulsory medical insurance;

15-4.1.9. demand that the policyholder provide them with compulsory medical insurance, and pay the insurance premium in full and in a timely manner;

15-4.2. The insured under compulsory medical insurance shall be obliged to:

15-4.2.1. provide health information that he or she knows about when requested by a medical service provider or regional medical division;

15-4.2.2. present proof of identity to a medical service provider or regional medical division.

Article 15-5. Rights and obligations of policyholders under compulsory medical insurance

15-5.1. The policyholders under compulsory medical insurance shall be entitled to:

15-5.1.1. obtain information about the registration and records of insured persons from the body (organization) determined by the relevant executive authority;

15-5.1.2. defend their rights and legitimate interests in the field of compulsory medical insurance.

15-5.2. The policyholders shall be obliged to:

15-5.2.1. conclude a compulsory medical insurance contract in the form provided for in Article 15-13.2 of this Law in paper or electronic form;

15-5.2.2. pay insurance premiums on time and in full.

Article 15-6. Procedure for keeping individual records of policyholders (insured persons) under compulsory medical insurance

15-6.1. Taking into account the requirements of Article 15-6.2 of this Law, the individual records of the policyholders and the insured under compulsory medical insurance shall be maintained by the body (organization) determined by the relevant executive authority.

15-6.2. Records of policyholders and insured persons referred to in Articles 15-2.3.1, 15-2.3.2, 15-2.3.4 and 15-2.3.5 of this Law shall be performed on the basis of records provided by the body (organization) determined by the relevant executive authority.

15-6.3. The procedure for keeping individual records of policyholders and the insured shall be established by the body (organization) determined by the relevant executive authority.

Article 15-7. Rights and obligations of medical service provider and regional medical divisions under compulsory medical insurance

15-7.1. The medical provider or regional medical divisions shall be entitled to:

15-7.1.2. participate in the implementation of compulsory medical insurance in meeting the requirements defined in Article 15-3.1 of this Law;

15-7.1.3. demand insurance payment for medical service rendered on the basis of a contract concluded in accordance with Articles 15-19 of this Law from the body (organization) determined by the relevant executive authority;

15-7.1.4. dispute the results of the examination conducted by the body (organization) determined by the relevant executive power body in the manner prescribed by this Law.

15-7.2. The medical service provider or regional medical division shall be obliged to:

15-7.2.1. provide medical services included in the benefit package of the insured in accordance with the terms of this Law and the contract on the financing of medical services;

15-7.2.2. guarantee the type, scope, terms, quality and conditions of medical services within the framework of compulsory medical insurance and in accordance with the terms of the agreement on financing medical services;

15-7.2.3. keep records of medical services provided within the framework of compulsory medical insurance;

15-7.2.4. in order to control the type, volume, period, quality and conditions of the provision of medical services under the compulsory medical insurance, provide information about the insured persons, the type, duration, quality and conditions of medical services provided to them, as well as information constituting medical secrets in accordance with the Law of the Azerbaijan Republic "On Protection of Public Health" to the body (organization) determined by the relevant executive authority;

15-7.2.5. submit reports on medical services rendered within the framework of compulsory medical insurance to the body (organization) determined by the relevant executive authority, in the manner and within the time limits stipulated by this Law;

15-7.2.6. compensate for damage caused to the health of the insured through their fault;

15-7.2.7. if it is not possible to provide the specialized medical care service provided in the contract for financing medical services in urgent and emergency cases, the medical service provider or regional medical division shall refer the insured at its own expense to another medical service provider or regional medical division providing the service.

Article 15-8. Rights and obligations of insurer under compulsory medical insurance

15-8.1. The insurer shall have the following rights under compulsory medical insurance:

15-8.1.1. act as a centralized purchaser of medical services on behalf of the state for compulsory medical insurance;

15-8.1.2. create equal conditions for the population to use medical services, and take measures to improve the quality and efficiency of medical services;

15-8.1.3. ensure the availability of medical services within the benefit package;

15-8.1.4. conclude an agreement for financing medical services with a medical service supplier or medical regional division in the manner prescribed by this Law;

15-8.1.5. not to pay, partially pay the cost of medical services provided within the framework of compulsory medical insurance, or request a refund of the funds paid from the medical service provider or regional medical division, if the obligations are not performed or partially performed by the medical service provider or regional medical division in accordance with this Law and the contract on the financing of medical services.

15-8.2. The obligations of the insurer in the field of compulsory medical insurance are as follows:

15-8.2.1. take measures to increase the quality of medical care provided within the framework of compulsory medical insurance;

15-8.2.2. take measures to ensure the regularity of compulsory medical insurance by the state;

15-8.2.3. pay insurance premiums to the medical service provider or the medical regional division for the medical services provided within the framework of the compulsory medical insurance;

15-8.2.4. ensure the protection and confidentiality of information on the health of insured persons, as well as information constituting medical secrecy;

15-8.2.5. protect the rights and interests of the insured regarding compulsory medical insurance;

15-8.2.6. create compulsory medical insurance reserves and manage compulsory medical insurance funds;

15-8.2.7. provide free information about compulsory medical insurance to the policyholder and the insured.

Chapter 4-3. Financial coverage of compulsory medical insurance

Article 15-9. Financial sources of compulsory medical insurance

15-9.0. The financial sources of compulsory medical insurance include:

15-9.0.1. insurance premiums;

15-9.0.2. state budget funds;

15-9.0.3. income received as a result of exercising the right of subrogation;

15-9.0.4. income received as a result of direct investment of free funds for compulsory medical insurance;

15-9.0.5. additional service fee as defined in Article 15-28.3 of this Law;

15-9.0.6. contributions from the calendar fees stipulated by the Law of the Republic of Azerbaijan "On Compulsory Insurance";

15-9.0.7. deductions from the insurance indemnity provided for by the Law of the Republic of Azerbaijan "On compulsory insurance against loss of professional ability to work as a result of accidents at work and occupational diseases".

15-9.0.8. bank credits;

15-9.0.9. grants, donations and assistance provided in accordance with the Law of the Republic of Azerbaijan "On Grants";

15-9.0.10. proceeds from fines and accrued interest for violations of the requirements of this Law;

15-9.0.11. other sources provided by the body (organization) designated by the relevant executive authority, as well as other sources not prohibited by law.

Article 15-10. Insurance premiums on compulsory medical insurance

15-10.1. Insurance premiums for compulsory medical insurance are determined in the following amounts and rates:

15-10.1.1. on essential benefit package - 29 (twenty-nine) manats per person per calendar year;

15-10.1.2. on additional benefit package:

15-10.1.2.1. for persons under Articles 15-2.3.1 and 15-2.3.2 of this Law:

1. by policyholder – 2 percent of the calculated wage fund;

2. by insured person – 2 percent of the employee's wage.

15-10.1.2.2. for persons under Articles 15-2.3.3 – 15-2.3.6 of this Law – 120 manat per person per calendar year.

15-10.1.3. 0.02 manat per liter of gasoline, diesel fuel and liquefied gas produced on the territory of the Republic of Azerbaijan and sent for domestic consumption (wholesale) and imported into the territory of the Republic of Azerbaijan;

15-10.1.4. for issuing excise stamps for energy drinks (alcoholic and non-alcoholic) and e-cigarette liquids - 0.1 manat for each issued excise stamp;

15-10.1.5. for issuing excise stamps for tobacco products - 0.05 manat for each excise stamp issued;

15-10.1.6. for issuing excise stamps for alcoholic products - 0.1 manat for each issued excise stamp;

15-10.1.7. 50 percent of the calendar fee paid on compulsory civil liability insurance of owners of motor vehicles in accordance with the Law of the Republic of Azerbaijan "On Compulsory Insurance";

15-10.1.8. 5 percent of the insurance premium paid by the policyholder to the insurer under the insurance contract in accordance with the Law of the Republic of Azerbaijan "On compulsory insurance against loss of professional ability to work as a result of accidents at work and occupational diseases".

15-10.2. The insurance premiums referred to in Articles 15-10.1.1 and 15-10.1.2.2 of this Law shall be indexed once a year from 1 January 2021, in accordance with the annual growth rate of the average monthly nominal wage for the country established by the body (organization) determined by the relevant executive authority and the indexed insurance premiums shall be posted on the official website of the body (organization) determined by the relevant executive authority.

Article 15-11. Calculation, payment and reporting on compulsory medical insurance premiums

15-11.1. Funds from the financial sources of compulsory medical insurance shall be collected in the compulsory medical insurance fund.

15-11.2. Insurance premiums stipulated by Article 15-10.1.1 of this Law, as well as insurance premiums for persons referred to in Article 15-2.3.3 of this Law shall be paid monthly in installments by the body (organization) determined by the relevant executive authority from the state budget not later than the 15th day of the following month.

15-11.3. *The insurance premiums stipulated in Article 15-10.1.2.1 of this Law shall be calculated by the policyholder for each month and paid in full at the same time as salary payments, but no later than the 15th of the following month.*

15-11.4. *Taxpayers engaged in the production and import of gasoline, diesel fuel and liquid gas in the territory of the Republic of Azerbaijan shall calculate the insurance premium monthly and pay it no later than the 20th of the month following the reporting month.*

15-11.5. *The compulsory medical insurance premium stipulated in Articles 15-10.1.4 - 15-10.1.6 of this Law shall be paid by the taxpayer at the same time as the state fee for the purchase of these excise stamps.*

15-11.6. *The compulsory medical insurance premium stipulated in Article 15-10.1.7 of this Law shall be paid by the Compulsory Insurance Bureau every month until the 20th of the following month.*

15-11.7. *The insurance premium stipulated by Article 15-10.1.8 of this Law shall be calculated monthly by the insurers stipulated by the Law of the Republic of Azerbaijan "On Compulsory Insurance Against Disablement as a Result of Accidents and Occupational Diseases" and paid not later than the 20th of the month following the reporting month.*

15-11.8. *The insurance premium by persons referred to in Articles 15-2.3.4 - 15-2.3.6 of this Law shall be paid in full within 30 (thirty) days from the date of conclusion of the contract of compulsory medical insurance or in equal installments for each month not later than 15th day of the next month by dividing by the number of months from the date of the contract to the end of the insurance year. The order of payment of the insurance premium by these persons shall be reflected in the contract of compulsory medical insurance.*

15-11.9. *The procedure for submitting statistical data on the persons referred to in Articles 15-2.1 and 15-2.3.3 of this Law to the body (organization) determined by the relevant executive authority, and the calculation of the total insurance premium for these persons shall be determined by the relevant executive authority, determined by the body (organization).*

15-11.10. *The information resources of the body (organization) determined by the relevant executive authority for the purpose of establishing whether the persons referred to in Articles 15-2.3.3.2 through 15-2.3.3.7 of this Law belong to the categories stipulated in the said articles of the Law, shall be integrated into the information resources of the body (organization) determined by the relevant executive authority within the limits established by the body (organization) determined by the relevant executive authority.*

15-11.11. *If the persons to be insured according to Article 15-2.3.3 of this Law belong to two or more categories of persons provided for in that Article, the insurance premium shall be paid only once by the body (organization) determined by the relevant executive authority for the benefit of those persons.*

15-11.12. *The persons referred to in Articles 15-2.3.4 - 15-2.3.6 of this Law shall pay insurance premiums at their own expense, regardless of whether they belong to the category of persons referred to in Article 15-2.3.3 of this Law or not.*

15-11.13. *The body (organization) determined by the relevant executive authority shall submit the report on insurance premiums paid under Article 1511.2 of this Law to the body (organization) determined by the relevant executive authority. The form and manner of submission of that report shall be determined by the body (organization) determined by the relevant executive authority in agreement with the body (organization) determined by the relevant executive authority.*

15-11.14. *The policyholders shall submit the report on the insurance premiums paid according to Article 15-11.3 of this Law to the body (organization) determined by the relevant executive authority. The form and manner of submission of that report shall be determined by the body (organization) determined by the relevant executive authority in agreement with the body (organization) determined by the relevant executive authority.*

15-11.15. *Taxpayers provided in Article 15-11.4 of this Law shall submit the report on paid insurance premiums to the body (organization) determined by the relevant executive authority. The form and manner of submission of that report shall be determined by the body (organization) determined by the relevant executive authority in agreement with the body (organization) determined by the relevant executive authority.*

15.11.16. *The body (organization) determined by the relevant executive authority shall submit a report on excise stamps issued to taxpayers for tobacco products, alcoholic beverages, energy drinks (alcoholic and non-alcoholic) and e-cigarette liquid to the body (organization) determined by the relevant executive authority. The form and procedure for submission of this report shall be determined by the body (organization) determined by the relevant executive authority by agreeing with the body (organization) determined by the relevant executive authority.*

15-11.17. *A report on insurance premiums paid by the Compulsory Insurance Bureau in accordance with Article 15-11.6 of this Law shall be submitted to the body (organization) determined by the relevant executive authority. The form and procedure for submission of this report shall be determined by the body (organization) determined by the relevant executive authority.*

15-11.18. *The insurer stipulated in the Law of the Republic of Azerbaijan "On compulsory insurance against loss of professional labor capacity as a result of industrial accidents and occupational diseases" shall submit the report on the insurance premiums paid according to Article 15-11.7 of this Law to the body (organization) determined by the relevant executive authority. The form and manner of submission of that report shall be defined by the body (organization) determined by the relevant executive authority in agreement with the body (organization) determined by the relevant executive authority.*

15-11.19. *In case of conclusion of a contract of compulsory medical insurance by persons specified in Article 15-2.3.6 of this Law (taking into account Article 15-11.21 of this Law) during an insurance year, a 10% additional insurance premium shall be calculated to the insurance premium specified in Article 15-10.1.2.2. of this Law for each month of delay, including the month in which the medical insurance contract was concluded.*

15-11.20. *Interest stipulated by Article 15-11.19 of this Law shall be accrued for the entire period of non-payment of the insurance premium, but not more than one year.*

Indebtedness on unpaid insurance premiums and additional insurance premiums shall be calculated for the current calendar year and for the previous last calendar year.

15-11.21. If the persons referred to in Articles 15-2.3.3 - 15-2.3.6 of this Law have an obligation to conclude a compulsory medical insurance contract during an insurance year, the insurance premium for compulsory medical insurance for these persons shall be calculated by dividing the insurance premium defined in Article 15-10.1.2.2. by 12 months and multiplying by the number of following months until the end of the year, including the month in which the obligation to conclude a compulsory medical insurance contract arises.

Chapter 4-4.

Organization of compulsory medical insurance

Article 15-12. Procedure for providing medical services under compulsory medical insurance

15-12.1. Medical services shall be provided to the insured from the funds of the compulsory medical insurance fund in accordance with the benefit package.

15-12.2. In cases where insurance premiums are not paid, medical services provided within the additional part of the benefit package shall be provided at the expense of the patients' own funds.

15-12.3. The persons stipulated in Articles 15-2.3.1 and 15-2.3.2 of this Law are considered to be insured regardless of whether the insurance premium is paid or not by the body (organization) to which they are appointed or elected, including the employer.

Article 15-13. Compulsory medical insurance contract

15-13.1. Compulsory medical insurance contract is concluded with the persons stipulated in Articles 15-2.3.4 - 15-2.3.6 of this Law in electronic form or on a paper carrier. Compulsory medical insurance contract for the next insurance year with the persons mentioned in this article shall be concluded by 31 December of the current year. When the obligation to conclude an insurance contract with the persons stipulated in Articles 15-2.3.3 - 15-2.3.6 of this Law arises during the insurance year, the compulsory medical insurance contract shall be concluded no later than the 10th of the month following the calendar month in which the obligation arises.

15-13.2. The model form of the compulsory medical insurance contract shall be established by the body (organization) determined by the relevant executive authority.

15-13.3. The insurance coverage under the compulsory medical insurance contract shall be valid in the territory of the Republic of Azerbaijan.

15-13.4. In cases where an employee's employment contract is terminated, the insured status of that person shall be maintained for 1 (one) month from the date of termination of the employment contract.

Article 15-14. Insurance limit

If provided for in the benefit package, during the period of validity of the compulsory medical insurance contract, the total amount of insurance coverage provided by the body (organization) determined by the relevant executive authority for insurance events may not exceed the insurance limit.

Article 15-15. Insurance indemnity under compulsory medical insurance

15-15.1. The insurance indemnity for the primary medical care provided in the basic benefit package shall be paid according to the number of persons assigned to the regional medical division in the manner established by the body (organization) determined by the relevant executive authority.

15-15.2. The procedure for subordinating insured persons to the regional medical division providing primary medical care is determined by the body (organization) determined by the relevant executive authority.

15-15.3. Payments for the provision of medical services to the insured under the additional benefit package shall be paid in accordance with the benefit package and tariffs in the amount specified in the contract on the financing of medical services.

15-15.4. The conditions for making insurance payments shall be determined by the contract provided for in Articles 15-19 of this Law.

Article 15-16. Grounds for refusal of insurance indemnity under compulsory medical insurance

15-16.0. The body (organization) determined by the relevant executive authority shall refuse to provide insurance indemnity in the following cases under the compulsory medical insurance contract:

15-16.0.1. provision of medical services that are not included in the benefit package;

15-16.0.2. when the claim is related to moral damage or loss of income;

15-16.0.3. if any part of the insurance premium has not been paid in the manner prescribed by this Law, even though it should be paid directly by the insured person;

15-16.0.4. when the insurance limit is fully used;

15-16.0.5. when the insurance contract expired.

Article 15-17. Scope and structure of the benefit package

15-17.1. The benefit package includes medical services provided in outpatient and inpatient conditions.

15-17.2. The structure of the benefit package shall be determined as follows:

15-17.2.1. list of medical services including the benefit package;

15-17.2.2. tariffs of medical services including the benefit package;

15-17.2.3. deductible amount;

15-17.2.4. insurance limit;

15-17.2.5. *conditions for providing medical services.*

15-17.3. *The criteria and procedure for including medical services in the benefit package or excluding medical services from the benefit package shall be set by the body (organization) determined by the relevant executive authority.*

15-17.4. *The benefit package shall be approved by the body (organization) determined by the relevant executive authority.*

Article 15-18. Deductible amount and waiting period

15-18.1. *A deductible is the part of loss or damage caused by the insurance event, which is not covered by the compulsory medical insurance and the insurer is responsible for paying it toward an insured loss.*

15-18.2. *The medical services to which the deductible amount is applied, shall be defined in the benefit package envelope by the body (organization) determined by the relevant executive authority.*

15-18.3. *The waiting period is the period during which the losses and damages caused by the insurance event are not covered by the compulsory medical insurance and shall be covered by the insured.*

15-18.4. *The procedure for applying the waiting period and the category of persons to whom the waiting period will apply shall be determined by the body (organization) determined by the relevant executive authority.*

Article 15-19. Contract on the financing medical services

The model form of the contract on the financing of medical services shall be defined by the body (organization) determined by the relevant executive authority.

Article 15-20. Subrogation

15-20.1. *For the purposes of this Law, subrogation is a right held by the body (organization) determined by the relevant executive authority, which organized the payment of insurance indemnity, to use the rights and means against the third party who is responsible for the damage caused to the insured, if such insurance indemnity was made for the insured.*

15-20.2. *When the medical services provided for in the basic part of the benefit package are provided to persons to whom the basic benefit package does not apply, in cases where there is another insurance contract that provides for the insurance of those persons against the same risks, the body (organization) determined by the relevant executive authority that made the insurance indemnity for compulsory medical insurance shall have the right to use the right of subrogation in the amount of insurance indemnity against the insurer who is a party to the contract.*

15-20.3. *When the medical services provided for in the basic benefit package are provided to persons not covered by the basic benefit package, in the absence of another insurance contract providing for the insurance of those persons against the same risks,*

the body (organization) determined by the relevant executive authority shall have the right to demand the cost of the medical services provided by the medical service provider or regional medical division from those persons. The scope of the persons to whom the basic part of the benefit package does not apply shall be defined by the body (organization) determined by the relevant executive authority.

Article 15-21. Compulsory medical insurance fund

15-21.1. The financial sources of compulsory medical insurance are concentrated in the compulsory medical insurance fund and are used for the following purposes:

15-21.1.1. for compulsory medical insurance indemnities;

15-21.1.2. for creating reserves in accordance with this Law;

15-21.1.3. for financing the management and activity costs (including maintenance costs and employee salaries) of the body (organization) determined by the relevant executive authority (not exceeding 2 percent of the revenues of the compulsory medical insurance fund).

15-21.2. The budget of the compulsory medical insurance fund provided for in Article 15-21.1 of this Law shall be approved by law for each year.

15-21.3. Free funds of the compulsory medical insurance fund can be directed to investment in the local financial market by the body (organization) determined by the relevant executive authority. The procedure for categorizing the funds of the compulsory medical insurance fund as free funds and conducting investment operations with these funds shall be approved by the body (organization) determined by the relevant executive authority.

15-21.4. The funds of the compulsory medical insurance fund unused by the end of the year shall be used to finance the following year's expenses.

Article 15-22. Formation of insurance reserves for compulsory medical insurance

15-22.1. Insurance reserves are formed in accordance with the set of obligations for the implementation of insurance payments for compulsory medical insurance.

15-22.2. Insurance reserves are divided into macroeconomic risk reserves and current reserves.

15-22.3. Macroeconomic risk reserves are created for the purpose of eliminating risks of macroeconomic impact on compulsory medical insurance or reducing the degree of impact. Macroeconomic risk reserves are made up of 4 percent of the revenues of the compulsory medical fund.

15-22.4. Current reserves are created for the purpose of ensuring current obligations in compulsory medical insurance. Current reserves are made up of 6 percent of the revenues of the compulsory medical insurance fund.

15-22.5. The procedure for the use of resources provided for in Articles 15-22.3 and 15-22.4 of this Law shall be established by the body (organization) determined by the relevant executive authority.

Article 15-23. Tariffs of medical services under compulsory medical insurance

15-23.1. The tariffs for medical services provided within the framework of compulsory medical insurance shall be set by the body (organization) determined by the relevant executive authority.

15-23.2. The procedure for calculating the tariffs for medical services provided within the framework of compulsory medical insurance shall be established by the body (organization) determined by the relevant executive authority.

Article 15-24. Control over the calculation and payment of the compulsory medical insurance premium

15-24.1. The control over the calculation and payment of the compulsory medical insurance premium shall be carried out by the body (organization) determined by the relevant executive authority.

15-24.2. The control over the calculation and payment of compulsory medical insurance premiums, collection of debts arising from insurance premiums, calculation of interest due to non-timely payment of compulsory medical insurance premiums and refund of already paid insurance premiums shall be carried out in accordance with the Tax code of the Republic of Azerbaijan.

Article 15-25. Accounting and reporting on compulsory medical insurance

15-25.1. The procedure for keeping records of compulsory medical insurance funds and reporting is established by the body (organization) determined by the relevant executive authority.

15-25.2. The procedure for submitting reports related to the medical services provided by the medical service provider or regional medical division within the framework of the compulsory medical insurance is established by the body (organization) determined by the relevant executive authority.

Chapter 4-5

Control over the provision of medical services under compulsory medical insurance

Article 15-26. Control of the scope, duration, quality and conditions of medical care

15-26.1. Control over the volume, duration, quality and conditions of medical services rendered within the framework of compulsory medical insurance and in accordance with the terms of the contract stipulated by Articles 15-19 of this Law shall be carried out by a body (organization) determined by the relevant executive authority.

15-26.2. Control over the volume, duration, quality and conditions of medical services provided within the framework of compulsory medical insurance and in accordance with the terms of the contract stipulated by Articles 15-19 of this Law shall be carried out through economic expertise and examination of the quality of medical services.

15-26.3. The economic expertise determines the compliance of the terms and scope of the rendered medical service, including the amount of the insurance payment calculated by the medical service provider or regional medical division, with the terms of the contract on financing medical services, primary medical documents and reporting documents of the medical service provider or regional medical division. The procedure of economic expertise and formalizing its results, as well as the requirements for specialists conducting the expertise, the list of primary medical documents shall be established by the body (organization) determined by the relevant executive authority.

15-26.4. The examination of the quality of medical care is carried out to determine the timeliness of medical services, including the correct choice of prevention methods, diagnosis, treatment and rehabilitation, as well as to identify violations committed during the provision of medical care. The procedure for conducting the examination of the quality of medical care and formalizing the results, as well as the requirements for the experts conducting the examination, shall be determined by the body (organization) determined by the relevant executive authority.

Article 15-27. Compulsory medical insurance database

15-27.1. In order to ensure the implementation of operations related to compulsory medical insurance in electronic form, a database (electronic information resource) on compulsory medical insurance shall be created by the body (organization) determined by the relevant executive authority.

15-27.2. The procedure for formation and use of the compulsory medical insurance database (electronic information resource), including the list of information systems and resources that should be integrated into that database (electronic information resource), the extent of access to that information shall be established by the body (organization) determined by the relevant executive authority.

Article 15-28. Application of the referral system under compulsory medical insurance

15-28.1. Within the additional benefit package, the insured may use the medical services provided in outpatient polyclinics, as well as laboratory and instrumental examinations based on the referral of the medical service provider or regional medical division providing primary medical care services.

15-28.2. The use of inpatient medical services within the additional benefit package by the insured is allowed based on the referral of the medical service provider or regional medical division, as well as the outpatient polyclinic providing emergency medical care services.

28.3. *When applying directly to an outpatient polyclinic without applying for primary medical care service, or when using laboratory, instrumental, as well as inpatient medical services, a medical service provider or regional medical division, the insured shall pay a service fee in the amount established by the body (organization) determined by the relevant executive authority.*

Article 15-29. Queuing regime

15-29.1. *If it is stipulated in the benefit package, the use of medical services included in the additional part of the benefit package is carried out on a queuing regime.*

15-29.2. *The order of application of the queuing regime provided for in Article 15-29.1 of this Law is determined by the body (organization) determined by the relevant executive authority.*

Chapter 5

Closing provisions

Article 16. Responsibilities of the parties under medical insurance system

16.1. *Regardless of the form of ownership, refusal of enterprises, departments and organizations to conclude a contract of compulsory medical insurance, concealment or reduction of amounts for the calculation of insurance premiums, violation of the terms of payment shall entail administrative responsibility in cases stipulated by the Code of Administrative Offences of the Republic of Azerbaijan (in force since 1 January 2020).*

16.2. *The medical service provider or a person engaged in a private medical practice shall be liable for the amount and quality of the provided medical care in accordance with the terms of the voluntary medical insurance contract and the requirements of the law, as well as for the refusal to provide medical care to the insured (effective from 1 January 2020).*

16.3. *The voluntary insurer shall have the right not to pay all or part of the fee for medical care provided when medical service providers or private medical practitioners acting in accordance with the law violate the terms of the voluntary medical insurance contract (effective from 1 January 2020).*

16.4. *The insurer is responsible to the insured or the policyholder for the fulfillment of the terms of the voluntary medical insurance contract (effective from 1 January 2020).*

16.5. *Disputes in the medical insurance system shall be resolved in accordance with the laws of the Republic of Azerbaijan, including in court.*

Article 16-1. Procedure and period of document storage (effective from 1 January 2020)

16-1.1. *The body (organization) designated by the relevant executive authority, medical service providers and regional medical divisions shall maintain insurance statistics, keep records and ensure storage of documents.*

16-1.2. *The body (organization) determined by the relevant executive authority shall keep the documents on the insurance operations carried out by the medical service providers and regional medical divisions, as well as the information on such operations in electronic carriers for at least five years after the termination of the relevant legal relationship.*

Article 16-2. *Interaction of compulsory medical insurance and government programs*

Compulsory medical insurance shall not cover types of medical services financed through government programs.

Article 16-3. *Procedure for applying fines and interest*

25 percent of funds recovered from fines and interests imposed in accordance with the Code on Administrative Offences of the Azerbaijan Republic in connection with violation of the requirements of this Law shall be transferred to the accounts of the body (organization) determined by the relevant executive authority for strengthening social protection of employees of the body (organization) determined by the relevant executive authority, and for improvement of material and technical base of the body (organization) determined by the relevant executive authority. Distribution of these funds and the procedure for their use shall be established by the body (organization) determined by the relevant executive authority.

Article 17. *Liability for violation of this Law*

Legal entities and individuals guilty of violating this Law shall be liable in the cases provided for in the Civil, Administrative and Criminal Codes of the Republic of Azerbaijan.

**President of the Republic of Azerbaijan
HEYDAR ALIYEV**

Baku city, 28 October 1999
No. 725-IQ

