

LAW NO. 04/L-249**ON HEALTH INSURANCE**

Assembly of Republic of Kosovo,

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves

LAW ON HEALTH INSURANCE**CHAPTER I
GENERAL PROVISIONS****Article 1
Purpose**

Purpose of this Law is to establish universal access of the citizens and residents of the Republic of Kosovo to quality basic healthcare services in order to improve healthcare indicators and assure financial protection against impoverishment due to high healthcare costs, by establishing and regulating the public health insurance system.

**Article 2
Scope of implementation**

This Law regulates the establishment, organization, functioning, and financing of the public health insurance system; as well as the rights and obligations of the parties included.

**Article 3
Definition**

1. Terms used in this Law shall have the following meaning:

1.1. **Citizen** - person with citizenship of the Republic of Kosovo according to the Law on Citizenship of Kosovo and person qualified as a refugee in compliance with the law.

1.2. **Resident** - a bearer of a stay permit issued by the competent authority for the territory of the Republic of Kosovo and the person who applied for recognition of a refugee status.

1.3. **Health Insurance Fund (hereinafter referred to as the Fund)** - a public health insurance institution, in capacity of a legal entity with special rights, obligations, responsibilities and authorizations for implementation of this Law on behalf of the insured persons, including effective collection of financial means for provision of health care services by health care institutions in all types of ownership.

1.4. **The insured** - a person who can prove of being covered by health insurance.

1.5. **Close family member** – in the meaning of this Law are considered: spouse, parents, children up to the age of eighteen (18), including adopted children, step-father, step-mother.

1.6. **Employee** – a natural person who performs paid work or services for the employer

1.7. **Employer** - a natural person or legal entity that provides work for the employees and pays them salary for performed work or services.

1.8. **Health care** - measures and actions undertaken by health care organizations, institutions, and professionals, whose main purpose is the improvement of health of the citizens and residents.

1.9. **List of basic health care services** - lists defining forms and types of health care services to be covered by mandatory health insurance through the Fund, including reimbursable drugs and consumables.

1.10. **List of Supplementary Health Care Services** - lists of Health care services that are not a part of the List of basic health care services.

1.11. **Emergency healthcare service** - healthcare service that is provided in the circumstances of immediate change occurring in the health status of a citizen or resident, lack of which poses a risk of death or of serious damage to his health.

1.12. **Reimbursement** - payment by the Fund for basic health care services rendered to its enrollees, according to the normative acts issued by the Fund.

1.13. **Cost-sharing** - co-insurance and payment done in a form of participation of the costs of covered health care services by health insurance policy holder, who by law is not exempted from cost-sharing for use of basic healthcare services.

1.14. **Premium Contributions** - the monthly, three monthly or annual health insurance amount to be paid to the Fund.

1.15. **Health Financing Agency** - is the executive Agency under the authority of the Ministry of Health, predecessor of the Kosovo public Health Insurance Fund, that on behalf of the state realizes the rights, obligations, responsibilities, and authorizations regarding contracting, and buying healthcare services from healthcare institutions in all forms of ownership, as well as pooling all financial means of the Fund for this purpose, until the establishment of Fund by this Law.

1.16. **Grace period** – period when citizen or resident does not pay the premium health insurance for three (3) consecutive months.

1.17. **Generic name** – unprotected international appointment of drug or medical material.

Article 4 Principles

1. Basic principles upon which this Law will be implemented are:

- 1.1. transparency of contractual relations;
- 1.2. sustainability of contracted healthcare services;
- 1.3. equity of citizens and residents;
- 1.4. accountability of holders of healthcare institutions and authorities of the Fund;
- 1.5. universal approach towards basic healthcare services;
- 1.6. solidarity of citizens and residents and of employers;
- 1.7. reciprocity in bilateral relations with states and their Funds;
- 1.8. individual responsibility when placing contractual relations;
- 1.9. easy access to contracted healthcare institutions;
- 1.10. efficiency of Fund functioning;
- 1.11. financial risk protection of citizens and residents when using healthcare services.

Article 5

Health insurance forms

Health insurance in the Republic of Kosovo is organized and applied as mandatory health insurance and voluntary health insurance.

Article 6

Mandatory health insurance

1. Mandatory health insurance is a right and obligation for all citizens and residents of the Republic of Kosovo.
2. Mandatory health insurance includes basic health care services offered based on the principles determined in the Article 4 of this Law.
3. Mandatory health insurance is provided only by the Fund.

Article 7

Guaranteed healthcare services

1. Regardless of health insurance status there shall be provided:
 - 1.1. emergency healthcare services;
 - 1.2. healthcare services to children under the age of eighteen (18) years from the List of basic healthcare services;
 - 1.3. essential healthcare services for pregnant woman and woman after childbirth; and
 - 1.4. other essential healthcare services as determined by the Fund.

Article 8

Voluntary health insurance

1. Citizens and residents of the Republic of Kosovo, foreign employees in the Republic of Kosovo, as well as all others, have the right to obtain voluntary supplementary health insurance.
2. Voluntary supplementary health insurance cannot apply complementary policies and provisions that cover the cost sharing requirements of the mandatory health insurance.
3. Voluntary supplementary health insurance is realized through the individual contract between the voluntary insured person and/or his legally nominated representative, and the private healthcare insurance company in compliance with the law.
4. Enrollment in voluntary health insurance for basic healthcare services in private health insurance agencies does not exempt the mandatory obligations of the citizen, resident, employer and employee, in accordance with this Law, for obligatory payment of the premium contributions for mandatory health insurance to the Fund.

Article 9

Transfer of rights

The right to mandatory health insurance cannot be transferred to another natural person and legal entity; it cannot be changed by a contract; and it cannot be alienated.

Article 10

Participation in expenses

Insured persons, take part in basic healthcare costs through cost-sharing and premiums, in compliance with the law.

CHAPTER II

Article 11 Mandatory insured persons

1. According to this Law, the persons insured in a mandatory way are:

1.1. all citizens and residents, who have paid mandatory health insurance premiums;

1.2. close family members of citizens and residents who have paid mandatory health insurance premiums and are public sector employees or employed in private or public-private VAT-registered companies with an annual turnover of fifty thousand (50,000) euro or more;

1.3. citizens and residents who are exempt from the obligation to pay this premium in accordance with this Law.

2. The persons exempt from premium payment and cost-sharing are citizens and residents, as follows:

2.1. poor families under social assistance -all family members;

2.2. prisoners who are sentenced;

2.3. individuals who are living in state institutions -children in foster care and guardianship; the elderly and persons with disabilities sheltered in Residential institutions and in the Community houses;

2.4. repatriated persons based on bilateral agreements of the Republic of Kosovo with other states, in the first year after repatriation;

2.5. war invalids, husband/wife and their children under eighteen (18) years in accordance with legal provisions in force;

2.6. trafficking victims during the first year after the official registration, in accordance with the law;

2.7. permanent residents of informal settlements in Kosovo who are not registered or who are in the process of registration until the end of the registration process, or one (1) year after the entry into force of this Law, any realized first;

2.8. victims of domestic violence during the first year after the official registration in the Ministry of Labor and Social Welfare, in accordance with the Law.

3. Citizens and residents from the following categories will be exempted from payment of premiums, co-payments and other cost-sharing obligations only if they are identified as poor according to the official testing criteria defined by the sub-legal act issued jointly by the Ministry of Health, Ministry of Labor and Social Welfare and Ministry of Finance, except in cases where international treaty applies:

3.1. aged and contributor pensioners;

3.2. pensioners of "Trepça" company;

3.3. Kosovo Protection Corps and Kosovo Security Force retirees;

3.4. martyrs' close family members;

3.5. veterans of war and their spouses and children;

3.6. former political prisoners and their spouses and children;

- 3.7. the close family members of civilian victims of war;
- 3.8. victims of sexual abuse during the war, in compliance with legal provisions in force;
- 3.9. disabled persons;
- 3.10. students.

Article 12 **Payment of premiums**

1. The premiums shall start being paid to the Fund in the date to be set in a sub legal act issued by the Ministry of Health; once necessary preconditions for implementation of health insurance are fulfilled as specified in Article 38 of the Transitional Provisions of this Law.
2. A person that fails to pay the premium for three (3) consecutive months - "grace period" ceases to be covered by the Fund.
3. To restore the insurance coverage, before they start benefiting from the rights on mandatory health insurance, the premium should be paid on time for at least three (3) consecutive months without interruption or for six (6) months with interruption within the last twelve (12) months.
4. A person who uses grace period more than three (3) times in a period of last five (5) years will be removed from the coverage of health insurance instantly upon missing the payment of a single installment.
5. Services according to Article 7 of this Law are not subject to conditions set by paragraph 2., 3. and 4. of this Article.

CHAPTER III

Article 13 **Rights from mandatory health insurance**

1. The citizens and residents with mandatory health insurance have the right to the healthcare services from the List of basic health care services provided that they have paid the premium in accordance with this Law or are exempt from this obligation. The List of basic health care services approved by the Government pursuant to Article 14 of this Law, cannot be reduced during the fiscal year.
2. Notwithstanding other provisions of the present Law, the obligation for the payment of any and all benefits by the Fund provided for by the present Law shall be due only if:
 - 2.1. funds have been specifically appropriated for such purpose under the applicable law on annual budget;
 - 2.2. there are sufficient funds actually available for such payments; and
 - 2.3. government has not taken a decision under paragraph 3. of this Article reducing or eliminating such obligation.
3. Unforeseen strain on the financial situation of the Fund shall be managed by reserves of the Fund or dealt with in the succeeding year through the premium determination process based on this Law; however, if at any given time in the fiscal year the Fund's fiscal balance becomes negative, the Government shall restore such balance through reductions in service provider payments, and/or cost sharing increase.

Article 14

The basic health care services

1. The List of basic health care services covered by the Fund is determined by the Government based on the proposal of the Steering Board of the Fund at the beginning of every fiscal year.
2. The List from paragraph 1. of this Article shall be drafted by a technical committee based on the policies of the Ministry of Health and on principles of cost-effectiveness, affordability and impact on health and productivity.
3. List is submitted for approval to the Steering Board of the Fund along with a financial statement of the cost for the proposed package of services in accordance with the Medium-Term Expenditure Framework, three (3) months before the beginning of each fiscal year.
4. The premiums for a fiscal year shall be approved by the Government and Assembly through the budget process.
5. The List from paragraph 1. of this Article shall be approved by the Government by January 31 of that fiscal year; until it is approved the previous year's List applies.
6. Services from paragraph 1. of this Article, including services from Article 7 of this Law are provided in the frame of:
 - 6.1. primary health care;
 - 6.2. secondary and tertiary outpatient specialist health care;
 - 6.3. secondary and tertiary inpatient specialist health care, including emergency health care;
 - 6.4. medical treatment outside the public healthcare institutions, in the country and abroad, in compliance with the sub-legal act issued by the Ministry of Health.
7. Basic health care services from paragraph 1. of this Article, including services from Article 7 of this Law, includes:
 - 7.1. maintaining and improving health status of population, through prevention and early detection of diseases and health disorders; except public health programmes under the authority of the Ministry of Health;
 - 7.2. medical procedures with the purpose of early detection of the illnesses, diagnosing, treatment, recovery and monitoring of the health status of the citizen and resident;
 - 7.3. treatment and cure of specific diseases, injuries and other particular health disorders;
 - 7.4. inpatient and outpatient medical rehabilitation;
 - 7.5. use of medicines and consumable material from the List of essential medicines and consumables established by the Fund;
 - 7.6. use of functional dentistry services, according to the List established by the Fund;
 - 7.7. use of orthopedic devices, orthoprosthetic supplies and consumables, as well as other supplies, according to the List established by the Fund;
 - 7.8. health services for pregnant woman and children.

Article 15

Basic health care implementation

1. The basic health care services are provided by licensed public, public-private and private health care institutions with which Fund has concluded a contract.
2. Reimbursement of medicines and consumables from Article 14 paragraphs 7.5. of this Law is done only if the medicine or consumable is prescribed from a licensed medical doctor at a contracted healthcare institution, in an official receipt in generic name, and is obtained at a private pharmacy contracted by the Fund.
3. Contracting the services from Article 14 of this Law shall start at a date to be set in a sub-legal act issued by the Ministry of Health.

Article 16

Equality

1. Basic health care services shall be provided on an equal basis for all insured persons.
2. Services from Article 7 of this Law, as a part of basic healthcare services, shall be provided free of charge for all citizens and residents without regard to their health insurance status.

Article 17

Exempted Services of Mandatory Health Insurance

1. The mandatory health insurance does not include:
 - 1.1. experimental treatments;
 - 1.2. appliances and medicines in the phase of clinical investigation;
 - 1.3. esthetic interventions and reconstructive surgery if the reconstruction is not necessary to improve the vital functioning;
 - 1.4. assisted fertilization, except for citizens and residents exempted from payment of premium contributions and cost-sharing for whom is allowed one procedure as a married couple in accordance with the Law, while for the category of the insured persons, terms and coverage of beneficiaries shall be determined with sub-legal act proposed by the Steering Board and approved by the Government;
 - 1.5. laboratory and medical examinations with the purpose to obtain sanitary booklets;
 - 1.6. medical examinations and issuance of medical certificates at the request of natural persons and legal entities;
 - 1.7. health care on the occasion of private travelling of insured persons outside the territory of Kosovo, except emergency cases according to the sub legal act issued by the Ministry of Health;
 - 1.8. medical examinations as a part of court procedures and other legal procedures, when medical examination is not in function of provision of the basic health care services.

Article 18

Registration of Insured Person

1. Citizens and residents as well as public and private institutions and organizations that are obliged to pay premiums for mandatory health insurance in accordance with this Law should submit to the Fund details on registration or deregistration of all categories of insured persons, within ninety (90) days from the day the premium payment becomes obligatory.
2. The Fund determines the procedures for evidence of the insured persons by a normative act.

Article 19

Categories of Insured Persons

1. The categories of insured persons are determined by the Fund in compliance with this Law.
2. The health insurance status of the insured person is certified by the health insurance card or by other means determined by the Fund.
3. The validity of the health insurance status, from paragraph 2. of this Article is conditioned by regular and on-time payments of premiums to the Fund, according to Article 12 of this Law.
4. The validity of health insurance status from paragraph 2. of this Article, is terminated from the day the Fund receives information of deregistration from the list of insured persons.

Article 20

The Right to Appeal

1. Procedures for realization of the rights for mandatory health insurance are provided in compliance with the legislation in power.
2. Any insured person has the right to appeal regarding his claim related to the rights for mandatory health insurance.
3. The appeal is filed within the term of thirty (30) days to the Commission for review of the appeals regarding the Mandatory Health Insurance.
4. Commission for review of the appeals related to Mandatory Health Insurance shall be established with decision by the Steering Board of the Fund.
5. The commission within the term of thirty (30) days shall review and decide on the appeal, according to the legal provisions in force.
6. Against the decision of the commission the insured person may open an administrative dispute to the competent court, in compliance with legal provisions in power.
7. Composition, competencies, mandate and the work of the commission shall be defined with sub-legal act issued by the Fund.

CHAPTER IV

Article 21

Financing of Mandatory Health Insurance

1. The financial means for mandatory health insurance are paid to the Fund or to its designated organization as cost sharing and as:
 - 1.1. mandatory health insurance premiums based on the personal incomes and compensation of public sector employees, shared equally by employees and employers;
 - 1.2. mandatory health insurance premiums based on the personal incomes and compensation of private and public-private sector employees in VAT registered enterprises with turnover of fifty thousand (50.000) euro or more per year, shared equally by employees and employers.
 - 1.3. mandatory health insurance premiums from all other citizens and residents, except close family members of citizens and residents in sub-paragraph 1.1 and 1.2. of this Article.

1.4. budget transfers from the Kosovo budget to the Fund dedicated to payment of the mandatory health insurance premiums for persons from Article 11 paragraph 2. of this Law, as well as for regular health care services at secondary and tertiary level; and essential healthcare services from Article 7 of this Law, at all levels of the health care, as foreseen in the annual budget for the health sector according to the medium term expenditure framework.

1.5. payments from other countries in compliance with inter-country agreements and health insurance funds of other countries, based on bilateral agreements;

1.6. donations and other sources;

1.7. earnings from the Reserve Fund.

2. If two or more family members are employed in institutions from sub-paragraph 1.1. and paragraph 1.2. of this Article, all employees are obligated to pay the mandatory health insurance premium.

3. The Fund manages its activity within the available financial resources.

4. The Fund cannot borrow nor does it have the right to build arrears as defined by law.

5. The Fund's financial management Regulation shall be approved by the Government.

Article 22 **Levels of Premiums for Mandatory Health Insurance**

1. Mandatory health insurance premiums for employees from Article 21 paragraph 1.1. and paragraph 1.2. of this Law shall be payable as a percentage of the pre-tax income to be shared equally by the employer and employee. The premiums are based on the costs of basic health care services proposed by the Fund and approved by Government and Assembly, at a rate that shall be approved by the Government and Assembly through the budget process.

2. The mandatory health insurance premium for other citizens and residents from Article 21 paragraph 1.3. of this Law may be based on the costs of basic health care services proposed by the Fund and approved by Government and Assembly; and is calculated annually as a flat rate approved by the Government and Assembly through the budget process.

3. The Fund shall propose to the Government changes of the premium from paragraph 1. and paragraph 2. of this Article during a fiscal year according to the consumer price index and other relevant factors such as special health circumstances.

Article 23 **Payment of premiums for mandatory healthcare insurance**

1. Mandatory health insurance premium for employees and employers in the public, public-private and private sectors from Article 21 paragraph 1.1. and paragraph 1.2. of this Law should be paid to the Fund through the payroll and state treasury system, each month.

2. Payments of premiums for mandatory health insurance from citizens and residents determined in Article 21 paragraph 1.3. of this Law shall be done through commercial banks and tax offices in the account of the Fund, in compliance with the Law on Management of Public Finances and Responsibilities.

3. Monitoring of payments from paragraph 1. and paragraph 2. of this Article shall be done by Central Bank of Kosovo.

4. Payments of premiums from Article 21 paragraph 1.3. of this Law to be made to the Fund account as annual, quarterly or the monthly premium (for the person or for the family members) no later than the 15th of the month immediately preceding the month when the person is covered by insurance.

5. Payment of premiums from Article 21, paragraph 1.4. of this Law shall be transferred to the account of the Fund by the Ministry of Finance, every three (3) months.

6. The Fund shall determine payment conditions with a sub-legal act.

Article 24 **Financial Reserve and Payment Obligations**

1. The Fund shall establish a financial reserve in the Central Bank of Kosovo that must be maintained at all times. Rules for calculating and use of this reserve will be specified in the Financial Management Regulation of the Fund.

2. In the event that, either the average balance of the financial reserve during the previous sixty (60) days is below the floor defined in the Financial Management Regulation of the Fund, or all unpaid obligations of the Fund exceed the floor, or both, then the prices of healthcare services, and/or cost-sharing levels will be adjusted until reserves reach adequate levels. In accordance with Article 22 paragraph 3. of this Law, the Fund may also request an adjustment to premium levels.

Article 25 **Payment for healthcare services**

1. Mandatory insured persons shall have access to services free of charge in the List of basic health care services from Article 14 and article 15 of this Law.

2. Extra-billing of mandatory insured persons for the List of basic health care services above the Fund's established price list by health care providers contracted by the Fund is prohibited.

3. Cost-sharing rate from paragraph 1. of this Article shall be determined by the Steering Board of the Fund based on the recommendation of a technical committee appointed by the Board.

4. Cost-sharing for services in the List of basic healthcare services shall be collected at the healthcare institutions and used by them in compliance with legal provisions in force.

5. Only the citizens and residents from paragraph 2 and 3 of Article 11 of this Law are exempt from the obligation to pay the premium and other cost sharing.

6. Citizens who do not enroll in mandatory health insurance scheme, shall pay the price of the provided health services based on the price list approved by the Ministry of Health upon proposal of the Fund.

7. Citizens who do not enroll in mandatory health insurance scheme, Kosovo citizens or residents who are insured abroad or foreign citizens, if there is no bilateral agreement shall pay the offered price for health service, based on the special price list approved by the Ministry of Health upon proposal of the Fund.

CHAPTER V FUND

Article 26 The Basic Act

1. The basic act of the Fund is the Statute, which is approved by the Government.
2. By the Statute of the Fund are determined: the organization, rights, obligations, responsibilities and ways of performing activities, in compliance with this Law.

Article 27 Organization and Direction of the Fund

1. The Fund is a public institution of special interest with legal autonomy of the legal person with special rights, obligations, responsibility and authorizations for implementation of this Law.
2. The Fund is authorized for establishment of the rights and obligations of the insured persons, related to the mandatory health insurance, as well as determination of the List of basic healthcare services.
3. The employees of the Fund are not part of Kosovo civil service and their status is regulated with sub-legal act proposed by the Steering Board and approved by the Government.
4. The Fund is subject to public sector financial management legislation and rules.
5. The organization of the administrative service of the Fund is defined by its normative acts.

Article 28 Governing Bodies of the Fund

1. The Fund is directed by the Steering Board.
2. The Steering Board is the highest decision making body of the Fund.
3. The Steering Board is composed of eight (8) members:
 - 3.1. The Minister of Health or his representative;
 - 3.2. The Minister of Finance or his representative;
 - 3.3. The Minister of Labour and Social Welfare or his representative;
 - 3.4. Chairman or representative of the Chamber of Healthcare Professionals;
 - 3.5. President of the Board or representative of the University Hospital and Clinical Service of Kosovo;
 - 3.6. Chairman or representative of the directories of healthcare of the Association of the Kosovo Municipalities;
 - 3.7. Representative of the Patients Associations;
 - 3.8. The Director of the Fund or his representative, in the role of the Secretary of the Steering Board, with no voting right.
4. The Steering Board can appoint national and international experts as observer members of the Steering Board to support its work with regard to specific issues.

5. Steering Board members can be re-elected as long as the representative is a member of the relevant body.
6. The Steering Board carries out the following functions:
 - 6.1. proposes the Statute of the Fund for approval to the Government;
 - 6.2. elects and nominates the Director of the Fund based on a public vacancy announcement.
 - 6.3. dismisses the Director of the Fund for reasons as provided by legal provisions in force;
 - 6.4. issues Annual Financial Statements.
7. Other rights and responsibilities of the Steering Board are determined by the Statute of the Fund.
8. The members of the Steering Board are appointed by the Government on the proposal of respective institutions from paragraph 3. of this Article.
9. The Steering Board has a three (3) year mandate.
10. The Steering Board is chaired by the Chairman with one (1) year mandate, elected based on the principle of rotation.
11. Steering Board shall function based on the legislation that regulates functioning of the Executive Boards of Public Enterprises at the central level in accordance with the Law.
12. The Steering Board delegates operational functions and authorizations to the Director of the Fund.
13. The Director of the Fund appoints the members of the technical committee for drafting and updating of the List of basic healthcare services including the List of reimbursable drugs.
14. The rights and responsibilities of the Director shall be defined by the Statute of the Fund.

Article 29 **Duties of the Fund**

1. The Fund has the following duties:
 - 1.1. applies policies for improvement of the health care status and financial risk protection of population established by the Ministry of Health;
 - 1.2. ensures realization of the rights of insured persons in compliance with the Law;
 - 1.3. organizes professional administration which enables efficient and effective application of rights and obligations for mandatory health insurance;
 - 1.4. proposes premiums, co-payments, co-insurance, deductibles, and other financial means for mandatory health insurance for approval to the Government;
 - 1.5. ensures collection of financial means for mandatory health insurance in an efficient and transparent method, in compliance with this Law;
 - 1.6. determines terms of contracts with healthcare institutions for basic healthcare services including quality standards that should be fulfilled;
 - 1.7. negotiates and concludes contracts for provision of basic healthcare services, including conditions for provision and compensation of quality health care services leading to increased productivity and higher performance;

- 1.8. implements effective and timely compensation of basic health care services provided by health care institutions, based on contracts;
- 1.9. reviews and proposes to the Steering Board, the pricelist of basic healthcare services;
- 1.10. supervises the application of all contracts concluded by the Fund and reports on them; The Steering Board reports to the Director of the Fund regarding the implementation of all contracts for health service;
- 1.11. organizes and implements the information system for mandatory health insurance within the unique health information system;
- 1.12. requests and uses professional evaluation of the work of the health institutions by authorized institutions;
- 1.13. regulates other issues related to healthcare insurance, in compliance with the legal acts into force;
- 1.14. requests external financial audit of healthcare institutions that are in contractual relations with the Fund.

Article 30 Supervision

The Government supervises activities of the Fund and reports at the Assembly at least once a year.

Article 31 Contracting Healthcare Services

1. The Fund negotiates and contracts basic health care services only with Ministry of Health licensed healthcare institutions.
2. Priority in contracting services will be given to healthcare institutions.
3. By the contract, from paragraph 1. of this Article, the following issues are regulated:
 - 3.1. scope of basic healthcare services to be contracted;
 - 3.2. terms of service provision including requirements for quality, productivity and performance of healthcare institutions;
 - 3.3. levels of co-payments, coinsurance and deductibles for healthcare services to be paid by users;
 - 3.4. the method of calculation and terms of payment for services to healthcare institutions;
 - 3.5. administrative and reporting requirements;
 - 3.6. supervision mechanism of contract implementation;
 - 3.7. incentive measures;
 - 3.8. punitive measures;
 - 3.9. mechanism of arbitration and legal responsibility for failure of contract implementation in compliance with legal provisions in force.
4. Until the start of operation of the Fund, the detailed rules for contracting of basic health care services at all healthcare levels shall be determined by the Ministry of Health.

5. Fund shall enter into contractual relationships with primary health care institutions through Municipal Health Directorates based on the separate Regulation approved by the Government.

Article 32 Fund Supervision

1. The monitoring of the Fund shall be carried out by:

1.1. The Steering Board:

- 1.1.1. supervises the implementation and legal basis of the activities of the Fund;
- 1.1.2. revises regular annual and quarterly reports with the financial statement, auditing reports; and additional reports on the activities of the Fund;
- 1.1.3. ensures the accounting transparency and continual liquidity of payments;
- 1.1.4. ensures that proper internal control systems are designed, in accordance with the Public Financial Management principles in the public sector;
- 1.1.5. approves Annual Financial Accounts, annual reports, and monthly reports on its activities and functions to the Ministry of Health, the Ministry of Finance and to the Government as well as presents its activities and additional reports as requested by the Ministry of Finance and Assembly of Kosovo.

1.2. The Director of the Fund:

- 1.2.1. produces periodic reports to the Steering Board;
- 1.2.2. ensures effective and efficient implementation of the systems of internal control;
- 1.2.3. manages operational activities of the Fund on daily bases.
- 1.2.4. prepares regular individual annual information for the insured regarding the List of basic health care services, managerial results, as well as other information of importance.

Article 33 Damage Compensation

1. The Fund may seek compensation for damage caused by natural persons and legal entities to the health of the insured person, while providing health care services, if that damage is caused by negligence.

2. According to paragraph 1. of this Article, the Fund has the right to seek compensation for damage from those causing it, in terms of expenses of health care services, according to its price list.

3. The compensation under paragraph 2. of this Article is applied in compliance with the laws into force.

Article 34 Control and Audit

The Fund shall be subject to internal and external audit, in compliance with legal provisions in force.

Article 35 Administrative Costs and Salaries

The maximum limit on administrative expenditures and expenditures for salaries of the employees of the Fund will be specified in the Financial Management Regulation of the Fund which shall be approved by the Government.

CHAPTER VI

Article 36 Administrative Sanctions

1. Every responsible natural person will be punished by a fine in the amount of seven (7) times higher, and every responsible legal person in the amount twenty (20) times higher than the value of the monthly minimum wage in the Republic of Kosovo, in case the natural or legal person:

1.1. does not keep regular records about the insured persons;

1.2. does not present at the Fund complete records on time, for registration and deregistration of insured persons;

1.3. refuses to provide information or provides false information about the registration and deregistration of insured persons;

1.4. does not correct the inaccurate details at the order of the Fund or impedes the control of official details regarding the insured person for mandatory health insurance, in compliance with this Law.

2. Administrative sanctions from paragraph 1. of this Article shall be imposed by Health Inspectorate of the Ministry of Health.

CHAPTER VII

Article 37 Transitional and Final Provisions

1. Mandatory health insurance premiums for the employees and employers from Article 21 paragraph 1.1 and paragraph 1.2 of this Law shall initially be calculated for the first thirty six (36) months from the start of premium collection as a percentage of seven (7) % of the gross incomes to be shared equally by the employer and the employee (each 3.5%) and later the percentage shall be determined and approved by the Government and Assembly according to Article 22 of this Law.

2. The level of the mandatory health insurance premium from Article 21 paragraph 1.3 of this Law shall be calculated for the first twelve (12) months from the start of premium collections at the level of two (2) Euro per person; and later this percentage shall be determined and approved by the Government and Assembly according to Article 22 of this Law.

3. The Ministry of Health, within three (3) months from the date of entry into force of this Law shall establish the Preparatory Council for the establishment of the Fund.

4. The Council from paragraph 3. of this Article has eight (8) members, representing the entities from Article 31 paragraph 3. of this Law where the position of the Director of the Fund is represented with Chief Executive Officer of the Health Financing Agency.

5. The Council performs the functions and duties of the Steering Board of the Fund, up to its foundation, based on the Work Regulation approved by the Government on the proposal of the Ministry of Health, in compliance with this Law.

6. The Health Financing Agency in the Ministry of Health shall gradually transfer its rights and responsibilities, determined by this Law and the Law on Health, to the Fund in compliance with the decisions of the Council from paragraph 3. of this Article.

7. In accordance with Article 24 paragraph 1. of this Law financial reserve of the Fund in Central Bank of Kosovo at the end of the first year after its establishment shall be at the amount determined in the Regulation issued by the Government.

8. The Ministry of Health and Ministry of Finance are obliged to prepare general acts, infrastructure and all other conditions necessary for work of the Fund.

9. Fund shall start with its full functioning, once necessary preconditions for implementation of health insurance are in place as specified in paragraph 10. of this Article.

10. The collection of premiums will only be initiated after:

10.1. the List of basic health care services along with a financial statement for that fiscal year has been approved according to Article 14 of this Law;

10.2. the List of services free of charge from Article 7 of this Law has been defined;

10.3. the price for each basic health care service for that fiscal year has been agreed;

10.4. co-payments and other cost-sharing levels for that fiscal year have been agreed;

10.5. at least seventy five percent (75%) of employees in the public sector and VAT registered private or public-private enterprises with an annual turnover of or exceeding fifty thousand (50,000) Euro have been issued an insurance card or other means of verifying health insurance registration status;

10.6. at least seventy five percent (75%) of individuals belonging to the exempt category have been issued an insurance card or other means of verifying health insurance registration status.

11. The start date for the collection of premiums will be specified in a sub-legal act issued by the Ministry of Health.

Article 38

Until the start of operation of the Fund, the public health sector shall continue to be financed from sources determined by the Law on Health.

Article 39

The Health Financing Agency and Preparatory Council from Article 37 paragraph 3. of this Law shall issue internal acts for the implementation of this Law.

Article 40 **Entry into Force**

This law shall enter into force fifteen (15) days after publication in the Official Gazette of the Republic of Kosovo.

Law No. 04/L-249
10 April 2014

Promulgated by Decree No. DL-018-2014, dated 25.04.2014, President of the Republic of Kosovo Atifete Jahjaga