

Client alert on medical insurance law in Azerbaijan

April 25, 2019

On December 28, 2018, the Milli Mejlis and the President of Azerbaijan approved amendments to the Law On Medical Insurance (the ‘Law’), a 1999 law which has been awaiting its implementation for more than 20 years. The Law will become effective from January 1, 2020.

The Law regulates both voluntary and obligatory medical insurance. Below we elaborate on the regulation of obligatory medical insurance.

Services portfolio

Medical services will be provided in the form of: i) a basic part of the services package, i.e., the provision of emergency medical services, and ii) an additional part of the services package, i.e., the provision of specialized medical services. With regard to the basic part of the services package, the insuring party will be the Ministry of Finance.

The insuring parties of the additional part of the services package are shown below.

Insureds, parties responsible for the insurance and insurance premiums

The insurance premium with regard to the basic part of the services package will be AZN 29 per person.

The insureds, the parties responsible for providing insurance and the insurance premiums with regard to the additional part of the services package will be as follows:

Categories of insureds	Parties responsible for providing insurance	Insurance fee
Persons appointed by the Milli Mejlis, the relevant executive authority (structure) as well as persons working at elected paid positions	Relevant state or municipal authorities	Parties responsible for providing insurance for the insureds – 2% of the salary fund Insureds – 2% of salary
Employees of entities operating in the oil and gas sector and the state sector	Employers	Parties responsible for providing insurance – 2% of the salary fund

Categories of insureds	Parties responsible for providing insurance	Insurance fee
		Insureds – 2% of salary
Certain categories of persons who are not employees and who do not work under civil law agreements (e.g., persons under 18, pensioners, women on partly paid social leaves)	Relevant executive authorities	AZN 120 per person (per calendar year)
Physical persons carrying on business activity	Insureds themselves	AZN 120 per person (per calendar year)
Physical persons providing works (services) under civil law agreements	Insureds themselves	AZN 120 per person (per calendar year)
Other persons (presumably, employees other than those working in oil and gas and state sector)	Insureds themselves	AZN 120 per person (per calendar year)

Certain categories of persons (yet to be determined by the Cabinet of Ministers) will not be subject to the Law.

Medical providers

Medical services under the Law will be provided by legal entities or individuals carrying on private medical activity or involved in private medical practice, as well as legal entities or individuals involved in pharmaceutical activity.

Use of insured medical services

Insureds may use insured medical services as follows:

Type of medical services	Persons providing pre-approval
Medical services provided at out-patient and polyclinic institutions, as well as laboratory and instrumental examinations	Medical providers providing primary health services or medical territorial departments
Stationary medical services	Medical providers of emergency medical services or medical territorial departments or out-patient and polyclinic institutions

Where provided by the services package, the use of medical services included in the additional part of the services package will be based on a priority regime. The rules for the application of the priority regime will be adopted by the President of Azerbaijan.

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