Analysis of the Legal Framework for Health Financing and the legal Base for the proposed Pilots

Health Economics Unit (HEU)
Health Services Division
Ministry of Health & Family Welfare

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Abbreviations

BMDC	Bangladesh Medical and Dental Council
DH	District Hospital
HEU	Health Economics Unit
HPNSDP	Health Population and Nutrition SectorDevelopment Program 2011 -2016
GFR	General Financial Rules
KfW	German Development Bank
LPAD	Legislative and Parliamentary Affairs Division
MoF	Ministry of Finance
MOHFW	Ministry of Health and Family Welfare
MOLJPA	Ministry of Law, Justice and Parliamentary Affairs
NHP	National Health Policy
NHSO	National Health Security Office
SSK	Shasthyo Surokhsha Karmasuchi
SFYP	Sixth FiveYear Plan
TR	Treasury Rules
UHC	Upazila Health Complex
UZ	Upazila

Executive Summary

The concept of health insurance is not new in Bangladesh. Since 1938 on enactment of the Insurance Act in the then British regime the provision of health insurance had been prevailing in our legal system. This provision was not continued in the Insurance Act, 2010 which has repealed the earlier Act of 1938. The necessity of exploring the legal provision of health insurance feels when the Health Economics Unit of the MOHFW took initiative to introduce the health insurance for below poverty level people through SSK. SSK (Shasthyo Surokhsha Karmasuchi) is the social health protection scheme developed by the Health Economics Unit (HEU) of the Ministry of Health and Family Welfare (MoHFW) with support from German Development Cooperation through KfW (German Development Bank) and GFA Consulting Group.

In order to explore the legal status of SSK and health insurance in Bangladesh and resolve the issues arise in implementing such scheme following laws have been reviewed:

i. Constitution of the People's Republic of Bangladesh;
ii. Bangladesh Medical and Dental Council Act, 2010;
iii. Drugs Act, 1940;
iv. Public Health (Emergency Provisions) Ordinance, 1944;
v. Medical Practice and Private Clinics and Laboratories (Regulation) Ordinance, 1982.
vi. Insurance Act,2010;
vii. Insurance Development and Control Authority Act, 2010;
viii. Insurance Corporations Act, 1973;
ix. Upazila Parishad Act, 1998;
x. Zila Parishad Act, 2000;
xi. Companies Act, 1994
xii. Rules of Business, 1996 and Allocation of Business Among the Different Ministries and Divisions (Schedule I of the Rules of Business, 1996);
xiii. Treasury Rules;
xiv. General Financial Rules;
xv. National Health Policy 2011;
xvi. The Sixth Five Year Plan (2011-2015);
xvii. Health Care Financing Strategy (First Draft);
xviii. Vision 2021.

Following issues are specifically addressed in the study:

i. What would be the legal basis of SSK?
ii. What would be the legal basis of health insurance?
iii. What institutional and financial independence should be provided to SSK?
iv. What would be the relationship of SSK with HEU and MOHFW?
v. How Service Providers may get financial assistance from SSK?
vi. How service providers should be made accountable to SSK?
vii. Whether existing laws would be sufficient or any amendment of existing law is needed or any new law is to be enacted for introducing SSK?

viii. Whether any legal provision conflicts with the SSK concept?
ix. Whether GFR and Treasury Rules including any other financial rules and policy would be in conflict with the receiving money from the insurer and using that money by the service providers?

The procedure followed in the study is as follows:

- Review and document laws and regulations applicable to the SSK model
- Provide an analytical analysis of applicable laws
- A report containing pros and cons of different options along with recommended actions steps to be undertaken
- Draft legislative provisions required
- Share draft reports for feedback
- Submit the (revised) final report in hard and electronic format along with supporting documents to HEU

On detailed analysis following recommendations are made:

Short Term Plan

MOHFW may establish NHSO/ SSK by an executive order providing necessary management and financial autonomy to it as per the functional bilateral agreement signed between Bangladesh and the Donor Country (Germany) and the respective secretaries of both the Countries should sign the agreement on behalf of their respective Governments. Such agreement shall be binding on both the Countries as per the International Law. The MOHFW may immediately establish one or more health insurance company to provide health insurance for the below poverty level people in the pilot Upazilas. Necessary fund may be created under the Upazila Health Officer which should be operated as per the directives given by the NHSO/ SSK. Necessary Rules may be framed under the Public Health (Emergency) Provisions Ordinance, 1944, Insurance Act, 2010 and Insurance Development and Control Authority Act, 2010.

Mid Term Plan

Some amendments can be brought to the Public Health (Emergency) Provisions Ordinance, 1944, Insurance Act, 2010 and Insurance Development and Control Authority Act, 2010 and thereafter Rules framed under such laws should also be amended in the light of the amendments brought to the parent laws. At this stage health insurance should be introduced at more Upazilas.

Long Term Plan

A separate law can be enacted to ensure sufficient autonomy and independence of the NHSO and proper enforcement of the health insurance in entire country which should be applied universally. The law should have the following provisions:

i. General Provisions;
ii. Provisions relating to Policy Holders;
iii. Establishment of a National Health insurance Authority;
iv. Detailed Insurance Benefits;
v. Health Insurance Review and Assessment Service;
vi. Grievance Procedure;
vii. Supplementary Provisions; and
viii. Penal Provisions.

1 Introduction

1.1 Background

The Health Economics Unit (HEU) of MoHFW is supported by German Development Cooperation (financed through KfW) with technical assistance in the areas of health financing/ health economics/ equity. The consultancy services are provided by GFA Consulting Group and include commissioning of studies, training, workshops and seminars and undertaking analytical work. HEU/ MoHFW will be assisted in building consensus on reform processes in the areas of health financing and equity.

Under the leadership of HEU/ MoHFW discussions have been conducted with key stakeholders and policy makers for the identification, design and implementation of a health financing pilot in selected areas. It has been agreed that the ultimate aim of the project is to create a national health insurance scheme to be known as Shastyo Suroksha Karmasuchi (SSK: Health Protection Scheme).

The SSK project has the objectives to i) Improve access of the poor to hospital inpatient care by reducing financial barriers, ii) Decentralize hospital activities for functional improvement in the health sector in phases as a part of Local Level Planning (LLP) and development and iii) Introduce modern Information and Communication Technologies for increased efficiency and transparency in the health sector (e. g. claims processing, accounting, controlling and electronic patient records). The health financing pilot will ultimately investigate new sources of financing for the health care system in Bangladesh. Such sources may include introducing compulsory/ voluntary health insurance for the entire population and health insurance premiums. The pilot will also test mechanisms to improve the quality and increase demand of health services. The proposed study will inform the design of the pilots by providing preliminary analyses. This study has the following objectives and scope of work.

1. 2 Objectives and Methodology of the Study

The General Objective of this study is to provide an overview of existing and requiredlegislation and regulations to enable and support pilot activitiesSpecific Objectives are to

1. analyze the laws and regulations pertaining to:
   - payment by Project Management Unit (PMU) of incentive to public and private sector health service providers
   - retention and use of funds for service improvement at public and private sector health facilities
   - other aspects of the SSK model
2. explore legal constraints or problems or litigation risks that may prevent any aspect of the proposed pilot model and propose steps to legalize the pilot
3. examine the legal requirements for introducing compulsory health insurance in general and more specifically for salaried employees in the future
4. recommend procedures and mechanisms to guide in obtaining future legislative change, including an outline of legislation required

In order to get an overview of existing and required legislation and laws to enable and support health insurance to be provided under SSK following laws/ Policies have been reviewed:

i. Constitution of the People's Republic of Bangladesh;
ii. Bangladesh Medical and Dental Council Act, 2010;
iii. Drugs Act, 1940;
iv. Public Health (Emergency Provisions) Ordinance, 1944;
v. Medical Practice and Private Clinics and Laboratories (Regulation) Ordinance, 1982.
vi. Insurance Act,2010;

vii. Insurance Development and Control Authority Act, 2010;
viii. Insurance Corporations Act, 1973;
ix. Upazila Parishad Act, 1998;
x. Zila Parishad Act, 2000;
xi. Companies Act, 1994
xii. Rules of Business, 1996 and Allocation of Business Among the Different Ministries and Divisions (Schedule I of the Rules of Business, 1996);
xiii. Treasury Rules;
xiv. General Financial Rules;
xv. National Health Policy 2011;
xvi. The Sixth Five Year Plan (2011-2015);
xvii. Health Care Financing Strategy (First Draft);
xviii. Vision 2021.

Following procedure followed in preparing the report:

- Review and document laws and regulations applicable to the SSK model
- Provide an analytical analysis of applicable laws
- A report containing pros and cons of different options along with recommended actions steps to be undertaken
- Draft legislative provisions required
- Share draft reports for feedback
- Submit the (revised) final report in hard and electronic format along with supporting documents to HEU

1.3 Scope

The study is very important to find out the legal status of SSK, its possible managerial and financial autonomy, its relationship with MOHFW and HEU, providing premium by the SSK to the insurance companies and payment to the health providers by the insurers as well as utilization of the money by the health providers.

The study will be confined to the analysis of the existing laws relating to the health and health administration, insurance and insurance administration, financial rules of the Government, constitutional provisions, and relevant work assigned to the Ministry of Health through constitutional instruments and relevant local government laws.

The report deals with the following issues;

i. What would be the legal basis of SSK?
ii. What would be the legal basis of health insurance?
iii. What institutional and financial independence should be provided to SSK?
iv. What would be the relationship of SSK with HEU and MOHFW?
v. How Service Providers may get financial assistance from SSK?
vi. How service providers should be made accountable to SSK?
vii. Whether existing laws would be sufficient or any amendment of existing law is needed or any new law is to be enacted for introducing SSK?
viii. Whether any legal provision conflicts with the SSK concept?
ix. Whether GFR and Treasury Rules including any other financial rules and policy would be in conflict with the receiving money from the insurer and using that money by the service providers?

1.4 Limitations, Risks and A ssumptions

Ensuring management and financial autonomy for NHSO could be a major challenge for SSK scheme. Providing appropriate health service to the members of health insurance could be another challenge in this scheme. Fund management and proper utilization would be a crucial issue for the scheme. On introduction of the health insurance the Government may reduce budget in the health sector. Administration of doctors and nurses at Upazila Health Complex and District Hospital i.e. getting proper service from them would be difficult in absence of strict monitoring of the scheme.

There should be a strong inter ministerial cooperation and coordination among the Ministry of Commerce, Finance Ministry and MOHFW in order to implement SSK effectively. Such cooperation is rare in Bangladesh. The enforcement of relevant laws is another issue in Bangladesh due to lack of administrative and judicial capacity. Maintenance of standard of health service is a very important issue which should be directly monitored by NHSO and for such monitoring adequate manpower would be needed. Whether MOHFW is in a position to provide such manpower is a pertinent question.

Redressing grievance of members of health insurance would be another crucial issue. The functioning of grievance committee should be monitored properly. In absence of specific law in this regard may create a vacuum.

2. Analysis of the Relevant Provisions of the Laws

2.1Constitution of the People's Republic of Bangladesh

Article 15 clause (a) of the Constitution declares it as the fundamental responsibility of the State to secure health care for all of its citizens. This principle shall be fundamental to the governance of Bangladesh, shall be applied by the State in the making of laws and shall be a guide to the interpretation of the Constitution and other laws of Bangladesh, but shall not be judicially enforceable[1].

2.2 Bangladesh Medical and Dental Council Act, 2010

This Act has been enacted to maintain registration of medical and dental physicians and ensure the standard of medical and dental education and the standard of the institution providing or intended to be providing medical and dental education. No person can claim himself or herself as medical or dental physician or provide allopathic treatment without being registered under this Act. Violation of this provision is a punishable offence. No provision of this Act may conflict with the concept of SSK and introduction of health insurance for public at large or a people of a particular locality.

2.3 Drugs Act, 1940

This Act regulates import, export, manufacture and sale of drugs in Bangladesh. It explicitly defines the term 'drug' which is an integral part of medical care at any hospital or clinic. The term drug includes all medicines for internal or external use of human beings or animals but medicines used or prepared to be used in accordance with in accordance with the ayurvedic, unani, homoeopathic or biochemic system of medicine have been excluded from drugs. This law also does not have any conflicting provisions with SSK model or health insurance concept.

2.4 Public Health (Emergency Provisions) Ordinance, 1944

The Ordinance provides some special provisions relating to public health. It promulgates special provision for preventing the spread of human disease, safeguarding the public health and providing and maintaining adequate medical services and other services essential to the health of the community. Under this Act Government has power to appoint additional staff for health service in a medical establishment to perform such duties and exercise such functions as the Government may direct.[2] The Government may take superintendence of such medical establishments. On taking over the superintendence by the Government, the powers of appointment, dismissal and punishment of, and grant of leave to, members of such establishment shall vest in such authority as the Government may appoint in this behalf.[3] The costs of and incidental to the services and establishments concerned shall continue to be paid out of the funds of the local authority.[4] No provision of this Act is found conflicting with the concept of the SSK and health insurance.

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[1] See article 8 (2) of the Constitution of the People's Republic of Bangladehs.

[2] See section 4 of the Public Health (Emergency Provisions) Ordinance, 1944.

[3] See section 5(2)(c) of the Public Health (Emergency Provisions) Ordinance, 1944.

[4] See section 5(2)(e) of the Act supra.

2.5 Medical Practice and Private Clinics and Laboratories (Regulation) Ordinance, 1982

This Ordinance regulates medical practice and functioning of private clinics and laboratories. This Ordinance determines the highest fees to be charged for a medical examination or a service in a private laboratory or in private clinic. It prohibits private practice during office hour by a registered medical practitioner who is a servant of the Republic. It also provides licnce to establish a private clinic. The provisions of this Ordinance do not conflict with the concept of SSK or health insurance.

2.6 Insurance Development and Control Authority Act, 2010

This Act has been enacted to establish an institution to supervise the insurance industry business, protect the interest of the policy holder of the insurance and beneficiaries under such policy and systematic development and control of the Insurance industry. The Insurance Development and Control Authority shall have following functions and duties amongst other:

i. Controlling insurance and reinsurance business related enterprises;
ii. Registering and providing certificate to the insurer, reinsurer and intermediaries and revocation, suspension, amendment and renewal of such registration and certificate;
iii. Providing licence to the surveyor and renewal, amendment, suspension and revocation of such licence;
iv. Nomination by the policy holder of the insurance, insurable interest, return value of life insurance policy and regarding other conditions of insurance, protecting interest of the policy holder and its beneficiary and insurer and reinsurer.

The provisions of this Act are not conflicting with the concepts of SSK and health insurance.

2.7 The Insurance Act, 2010

This law consolidated the law on insurance business. All insurers shall be subject to this Act while liabilities remain unsatisfied. In order to carry on insurance business a person must be:

i. A public company; or
ii. A society registered under any law for the time being in force in Bangladesh relating to cooperative society; or
iii. A body corporate incorporated under the law of any country outside Bangladesh not being of the nature of a private company or a subsidiary of a private company.

No Mutual Insurance Company shall carry on any non life insurance business under this Act. In this Act life insurance is included in the definition of insurance and life insurance covers health insurance. Under this Act life insurance means insurance agreements relating to human life which can be divided into different sub classes.[5]The rate of premium, benefits and conditions of life insurance shall be determined by the Insurance Development and Control Authority under this Act.[6]Under section 116 of this Act a Mutual Insurance Company registered under the Companies Act, 1994 on the basis of the Constitution without any share capital can carry on life insurance business.

[5] See section 5 of the Insurance Act, 2010.
[6]See section 16 of the Actj.

2.8 The Insurance Corporations Act, 1973 (Act no. VI. Of 1973)

This Act establishes one life insurance Company called Jiban Bima Corporation and one non life insurance Company called Sadharan Bima Corporation. It deals with the appointment of officers and employees of the said organizations, budgets, internal administration, functions, winding up etc. of the corporations. This Act does not conflict with the concepts of SSK or life insurance.

2.9 Upazila Parishad Act, 1998

This Act establishes a local government institution named Upazila Parishad (Sub-District Council). According to section 24 (1)(b) any institution, work or officers and employees of the concerned institution or work and management and control of ancillary matters thereof under the Government stated in the third schedule or out of third schedule of the Act may be vested in the Upazila Parishad . The Upazila Health Complex and ancillary functions under the Department of Health of the Ministry of Health and Family Welfare is stated in the third schedule. Under section 35 of the Act there shall be a fund for Upazila Parishad and the money allocated by the Government for salaries and allowances of officers and employees of the institution or work and carry out other expenditures shall be deposited in such fund. The money obtained from other sources may be deposited in the fund by the order of the Government. The Upazila Parishad can spend the money as determined by the Rules.

2.10 Zila Parishad Act, 2000

This Act provides for a local government institution at district level called Zila Parishad (District Council). The provisions for compulsory and optional functions have been stated in section 27. The Government may impose any function on the Zila Parishad as a compulsory function of the Parishad and establishment of Hospitals, nursing home is an optional function as stated in the first schedule of the Act. According to section 42 of the Act the Parishad shall have a fund where money can be deposited from other sources not stated in the section as directed by the Government. The Parishad is empowered to spend such money as per rules.

2.11 The Companies Act, 1994

There is a provision under the Companies Act to register a company limited by guarantee without any share capital under section 29 of the Companies Act and the word limited can be dispensed with by the licence of the Government.

2.12 Rules of Business, 1996 and Allocation of Business Among the Different Ministries and Divisions (Schedule I of the Rules of Business, 1996)

Rules of Business have been framed by the President of the People's Republic of Bangladesh in order to allocate and transact the business of the Government.[7] Schedule I of the Rules of Business allocated business among the different Ministries and Divisions. Health insurance is one of the businesses allocated to the Ministry of Health and Family Welfare by the Allocation of Business under the Rules of Business.

[7] See article 55(6) of the Constitution of People's Republic of Bangladesh.

2.13 Treasury Rules

Treasury Rules stated detailed provisions for administration and control of District and Upazila Accounts offices as well as payment of revenue of the Government into the Government Account, custody of moneys relating to or standing in the Government Account, withdrawal of money from the Government Account, transfer of money standing in the Government Account, responsibilities for moneys withdrawn from the Government Account etc.

Section 7. (1) runs "Save as hereinafter provided in this section, all moneys received by or tendered to
Government servants on account of the revenues of the Government and all moneys received for deposit in the custody of Government shall without undue delay be paid in full into the Bank and shall be included in the Government Account. Moneys received as aforesaid shall not be appropriated to meet departmental expenditure, nor otherwise kept apart from the Government Account. No department of Government may require that any moneys received by it on account of the revenues of the Government be kept out of the Government Account."

It is clear from the above provision that any money received by a government servant as revenues of the Government and all moneys received for deposit in the custody of the Government shall be paid to the Bank and shall be included in the Government Account and such money cannot be withdrawn to meet departmental expenditure unless it falls under exceptions to the section.

However section 8 runs "Moneys received by a Government servant whether in an official or another capacity which do not relate to or form part of the revenues of the Government shall not be included in the Government Account, and a Government servant is not required to pay into the Government Account any such moneys. If any question arises whether moneys are or are not moneys relating to or forming part of the revenues of the Government, the question shall be referred to Government whose decision shall be final."

Under the provision of section 8 money paid by the health insurance company to the respective service provider i.e. Upazila Health Complex or District Hospital as the case may be may be deposited in the fund created for such purpose and may be decided by the Government that such money shall form part of the revenue of the Government.

2.14 General Financial Rules (GFR)

Rule 1 of the GFR states "The rules contained in this volume, which are essentially executive orders of the President, describe primarily the financial powers of different authorities subordinate to the Government and the procedure prescribed by the President, which should be followed by them in the securing and spending of the funds necessary for the discharge of the functions entrusted to them. Departmental authorities should follow these rules, supplemented or modified by the special rules and instructions, if any, contained in their depart mental regulations and other special orders applicable to them."
Rule 6 states "If a Government officer receives in his official capacity moneys which are not Government dues or the deposit of which in the custody of Government has not been authorised by Government, he must open an account for their deposit with a Branch of Sonali Bank or a PostOffice Savings Bank. The prior approval of Government is required to their deposit in any otherBank. The Government officer receiving such moneys is personally responsible for seeing thatthey are disbursed in strict conformity with the rules, regulations or orders governing the fund towhich the moneys appertain, that a precise record of all the transactions is kept in a formcomplying with the regulations of the fund concerned and that the accounts are subjected toproper audit checks.

Therefore, both the Treasury Rules and GFR are supplementary to each other and can be applied in receiving, depositing and spending money by the health service providers in order to implement health insurance and SSK models.

2.15 National Health Policy 2011

The strategies stated in the Policy to achieve the objectives of the Health Policy 2011 specifically mention about the introduction of Health Policy for service holders and other classes including introduction of universal health protection system.[8]

2.16 The Sixth Five Year Plan (2011-2015)

In the Sixth FYP it is stated "[I]n rural areas HPN sector's financing will be raised through cost sharing by well-to do patients when they are treated in Public hospitals. Moreover, the Govt. will encourage promotion of Health Insurance Pilots at different levels (P: 366, part 2)".

2.17 Health Care Financing Strategy (1st Draft)

It is stated in the Strategy that "[T]he Goal is to strengthen the financial risk protection, and extend health services and population coverage, with the aim to achieve universal coverage."

2.18 Vision 2021

Modern and adequate social health insurance could mitigate the costs to the individual, family and society. Health, Population, Nutrition Sector Development Program, 2011-2016 (HPNSDP)

[8] See paragraph 20 of the strategies mentioned in the Health Policy, 2011.

3. Legal Solutions to the Issues

3.1 Legal Basis of SSK

SSK could be established either by the executive order of the MOHFW under the power conferred to it by the Rules of Business. A set of Rules could be framed under Public Health (Emergency Provisions) Ordinance, 1944 to establish SSK by the MOHFW giving adequate autonomy. A law could be enacted by the Parliament to establish SSK and introduce health insurance in Bangladesh. No existing legal provision is conflicting with the establishment of SSK either by an executive order or framing rules or through enactment.

3.2 Legal Basis of Health Insurance

The legal basis of health insurance lies in the provisions of the Insurance Act, 2010 and Insurance Development and Control Authority Act, 2010. Several Companies limited by Guarantee could be registered under the Companies Act, 1994 by the SSK or MOHFW. Health insurance could be provided by framing rules under Insurance Act, 2010 or enacting new law by the Parliament.

3.3 Institutional and financial independence of SSK

Necessary institutional and financial independence of SSK could be provided under the existing legal framework through executive order as per Treasury Rules and GFR or framing rules under Public Health (Emergency Provisions) Ordinance, 1994.

3.4 How Service Providers may get Financial Assistance from SSK/ NHSO

It has been seen that relevant provisions of the Treasury Rules, GFR, Upazila Parishad Act, 1998 and Zila Parishad Act, 2000 may be applied by the MOHFW to provide financial assistance to the service providers from the insurers through SSK/ NHSO or directly. MOHFW may issue specific directives for the use of such money obtained from insurers. The premium for health insurance may be paid by the SSK to the insurers and the rate of which may be determined by the Insurance Development and Control Authority as per the provisions of the Insurance Act, 2010.

3.5 Accountability of Service Providers

A grievance procedure can be established by the Rules to be framed under the Public Health (Emergency Provisions) Ordinance, 1944, Upazila Parishad Act, 1998, Zila Parishad Act, 2000, the Insurance Development and Control Authority Act, 1910 or in the enacted law for introducing health insurance. A three member grievance committee could be constituted at the Upazila level headed by the Upazila Nirbahi Officer (UNO). Upazila Health Officer and a member of Upazila Parishad could be other two members of the Committee. The detailed procedure of the committee might be determined by the SSK/NHSO and the Committee may be made answerable to the NHSO.

3.6 Incentive to the Service Providers

The doctors, nurses and technicians may be given incentives from the fund created by SSK or under the Upazila Parishad or Zila Parishad funds as per the Public Health (Emergency Provisions) Ordinance, 1944, Upazila Parishad Act, 1998, Zila Parishad Act, 2000 or by new enactment in this regard.

3.7 Adequacy of Existing Law or Need for New Law

From the discussion made in the section 2 of the study it is clear that existing law does not create any bar to introduce SSK or health insurance. But in order to make it effective and ensure greater autonomy for the NHSO it would be convenient to enact a new law like the Republic of Korea in this regard. The ROK already enacted National Health Insurance Act in 2010 and established a National Health Insurance Corporation like our Jiban Bima Corporation in order to implement health insurance. The Insurance Act, 2010 and the Insurance Development and Control Authority Act, 2010 could be amended in order to introduce health insurance. But if NHSO is established under such law in that case strong inters ministerial cooperation between the Ministry of Commerce and MOHFW would be needed for effective management of NHSO. In Bangladesh such cooperation is rarely found due bureaucratic structure and political reality.

4 Recommendations

In order to establish NHSO and introduce health insurance MOHFW may adopt the following implementation plan:

4.1 Short Term Plan

MOHFW may establish NHSO/ SSK by an executive order providing necessary management and financial autonomy to it as per the functional bilateral agreement signed between Bangladesh and the Donor Country (Germany) and the respective secretaries of both the Countries should sign the agreement on behalf of their respective Governments. Such agreement shall be binding on both the Countries as per the International Law. The MOHFW may immediately establish one or more health insurance company to provide health insurance for the below poverty level people in the pilot Upazilas. Necessary fund may be created under the Upazila Health Officer which should be operated as per the directives given by the NHSO/ SSK. Necessary Rules may be framed under the Public Health (Emergency) Provisions Ordinance, 1944, Insurance Act, 2010 and Insurance Development and Control Authority Act, 2010.

4.2 Mid Term Plan

Some amendments can be brought to the Public Health (Emergency) Provisions Ordinance, 1944, Insurance Act, 2010 and Insurance Development and Control Authority Act, 2010 and thereafter Rules framed under such laws should also be amended in the light of the amendments brought to the parent laws. At this stage health insurance should be introduced at more Upazilas.

4.3 Long Term Plan

A separate law can be enacted to ensure sufficient autonomy and independence of the NHSO and proper enforcement of the health insurance in entire country which should be applied universally. The law should have the following provisions:

i. General Provisions;
ii. Provisions relating to Policy Holders;
iii. Establishment of a National Health insurance Authority;
iv. Detailed Insurance Benefits;
v. Health Insurance Review and Assessment Service;
vi. Grievance Procedure;
vii. Supplementary Provisions; and
viii. Penal Provisions.

Enactment of such law might take considerable time because several steps should be taken before passing such law. The MOHFW should make an initial draft of such law by engaging a legal drafter or from the Legislative and Parliamentary Affairs Division (LPAD) of the MOLJPA and then a policy decision should be obtained from the Cabinet. Thereafter the draft should be sent to the LPAD for vetting and on getting it vetted the draft Bill should be sent to the Cabinet again for decision to send it to the Parliament. On getting the decision from the Cabinet the MOHFW shall send the Bill to the Parliament. The Parliament shall send it to the Standing Committee on the MOHFW. On getting report from the Committee the House shall discuss on the Bill and the Speaker shall give it on vote. After passing it on majority vote of the MPs present the Bill shall be sent to the President for his assent. After the assent of the President the Act shall be notified in the Official gazette. The entire procedure might take couple of years.

Ministry of Health and Family Welfare

Government of the People's Republic of Bangladesh