**PROCLAMATION No: \_\_\_\_\_\_\_\_\_\_\_\_ / 2020**

**COMMUNITY BASED HEALTH INSURANCE PROCLAMATION**

**SEPTEMBER 2020**

**Proclamation No. ...... / 2020**

**Community Based Health Insurance Proclamation**

**WHEREAS**, due to significant rise in cost of health services citizens are forced to incur huge expenses that led to impoverishment as well as leading many to suffer and die from preventable diseases;

**WHEREAS**, Community Based Health Insurance System solidifies the preexisting custom of mutual support and ensures access to equitable, quality and sustainable health service to accelerate the move towards Universal Health Coverage; which in turn improves productivity of citizens to enhance economic growth which is the main goal of the country’s health policy;

**WHEREAS**, the encouraging results and lessons learnt during the pilot and scale-up phase of Community Based Health Insurance system show a need for a national legal framework to ensure standardization for sustainability of the system and allow better coordination at Federal and regional levels, thereby;

**NOW, THEREFORE**, in accordance with Article 55 sub articles (1) and (6) of the Constitution of the Federal Democratic Republic of Ethiopia it is hereby proclaimed as follows:

**CHAPTER ONE**

**GENERAL**

1. **Short Title**

This Proclamation may be cited as the “Community Based Health Insurance Proclamation No…… /2020”

1. **Definitions**

In this Proclamation:

1. “Community Based Health Insurance” means a non-profit health insurance arrangement that encompasses all sections of the society in the informal sector as members;
2. “Informal Sector” means a sector that cover section of the society whose livelihood depends on farming and other agricultural activities, pastoralism, semi-pastoralism, small and micro enterprise operators and their employees, and unemployed; it does not include those covered under social health insurance and members of the defense force;
3. “Social Health Insurance” means the health insurance system established in accordance with proclamation number 690/2010;
4. “Agency" means the Ethiopian Health Insurance Agency established by the Council of Ministers Regulation No. 191/2011;
5. “Regional Implementing Body” means a body at Woreda, Zonal and Regional level mandated to implement this Proclamation and other implementing regulations and directives;
6. “Pool” means a fund made up of member contribution, targeted subsidy, general subsidy and other sources used for procurement of health services for beneficiaries;
7. "Member" means a household head or a person; registered for community based health insurance and paid annual contribution or whose contribution has been paid by another;
8. “Family” shall include core and additional family members;
9. “Core family ” means the spouse and children of a member;
10. “Spouse” means a person legally married to a member and includes those in an Irregular union in accordance with the family law;
11. “Child” means the natural, adopted or stepchild of a member or any child who by acts of the law is under the guardianship of the member and is under the age of 18. This also includes a child over the age of 18 who is unable to sustain himself due to mental or physical disability;
12. “Additional family member” means someone outside of the core family but live under the same roof with the member and is dependent on member’s income;
13. “Indigent” means household head identified by Woreda administration as being unable to afford annual membership contribution;
14. "Health Facility" means any public or private health facility which is licensed and entered into a contractual agreement with the implementing body to provide health services;
15. “Private Health facility” means a health facility run by public enterprises, Charities Non-Governmental Organizations or private investors established for or not for profit;
16. “Benefit package” means health services to be covered by the community based health insurance system;
17. “Beneficiary” means a member and his family entitled to use the benefit package;
18. “Co-payment” means out of pocket payment to be made by beneficiary at primary health facility;
19. “Targeted Subsidy” means annual membership contribution allocated by regional government or Woreda administration or by both for the indigent household;
20. “General subsidy” means an a matching contribution allocated by the Federal government on an annual basis;
21. “Region” means any state referred to in Article 47 sub-article 1 and 2 of the Federal Democratic Republic of Ethiopia and includes Addis Ababa and Dire Dawa City Administrations;
22. “Person” means any natural or juridical person;
23. Any expression in the masculine gender includes the feminine.
24. **Scope of Application**

This Proclamation will be applicable throughout the country.

**CHAPTER TWO**

**ESTABLISHMENT OF COMMUNITY BASED HEALTH INSURANCE SYSTEM**

1. **Establishment**

The Community Based Health Insurance System is hereby established by this Proclamation.

1. **Establishment of Community Based Health Insurance Pool**
2. Community Based Health Insurance pool shall be established at Regional and National level.
3. The share of Regional and National pool shall be divided on percentage basis from the total contribution.
4. Regional pool may be established at Regional level or sub-Regional level depending on the region’s context.
5. **Reserve fund**
	* + 1. Community Based Health Insurance Reserve Fund shall be established at Federal and Regional levels.
			2. The amount of reserve fund to be held will be 5 (five) % of the total membership contribution.

**CHAPTER THREE**

**COMMUNITY BASED HEALTH INSURANCE IMPLEMENTING BODIES**

1. **Federal Implementing Body**
	* + 1. The Agency shall lead, coordinate and implement Community Based Health Insurance system.
			2. Without prejudice to the generality of sub article 1 of this article, the Agency shall have the following duties and responsibilities:
2. formulate policy recommendations, design strategies and develop legal frameworks;
3. develop systems and set national standards to guide the establishment of pools;
4. administer pool established at national level and procure health services from tertiary level health facilities;
5. design mechanism to solicit alternative financial sources to strengthen the insurance system;
6. provide support to build the capacity of the regional implementing body;
7. ensure the allocation of annual general subsidy by the appropriate government body;
8. devise and execute the necessary risk mitigation mechanisms;
9. introduce new practices and technologies to modernize the community based health insurance system;
10. outsource certain duties as may be necessary to third parties for the proper implementation of Community Based Health Insurance system functions;
11. submit timely performance report to the National Community Based Health Insurance Council and other relevant bodies;
12. perform other activities as may be necessary to facilitate Community Based Health Insurance functions.
	* + 1. The management board of the Agency established based on the Regulation No. 191/2010 shall oversee and supervise the day to day functions of the Agency with regards to powers given to it in this proclamation.
13. **Regional implementing body**
	* + 1. A Regional implementing body shall be established to implement community based health insurance system functions at regional level.
			2. Without prejudice to the generality of sub article 1 of this article, the regional implementing body shall have the following duties and responsibilities:
14. administer pools to be established at regional level and procure health services from primary and secondary health facilities;
15. administer the reserve fund established at the regional level;
16. undertake community awareness, sensitization and mobilization;
17. carry out member registration, collect membership contribution, issue and distribute membership identification card;
18. ensure transfer of pools’ share established at various levels and reserve fund based on the determined percentage of allocation;
19. ensure allocation of adequate targeted subsidy;
20. monitor and evaluate the implementation of Community Based Health Insurance System together with other stakeholders;
21. ensure the establishment and functionality of executive board and general assembly at all primary level pools;
22. submit periodic performance report to the Regional Community Based Health Insurance Council, National Community Health Insurance Council, the Agency and other relevant bodies;
23. outsource certain duties as may be necessary to third parties for the proper implementation of Community Based Health Insurance system functions;
24. perform other duties in accordance with this Proclamation and regulation and directives that follow it.
25. **Community Based Health Insurance Council**
	* + 1. National Community Based Health Insurance Council (hereinafter the “Council”) is hereby established.
			2. Regional governments will also establish a Regional community based health insurance Council to be chaired by respective regional state presidents.
26. **Membership to the Council**
	* + 1. Members of the Council shall be all Regional state Presidents and other members drawn from the relevant stakeholders and be designated by the government.
			2. The Deputy Prime Minister shall be the chairperson of the Council.
			3. The Director General of the Agency shall be the Secretary of the Council.
27. **Powers and duties of the Council**

The Council shall have the powers and duties to:

* + - 1. Give policy directions regarding community based health insurance system;
			2. set the annual membership contribution, co-payment, benefit package and medicine list
			3. decide the share of regional and national pool pursuant to article 5 sub 2 of this proclamation;
			4. decide the share of regional and national reserve fund; amend the percentage share as may be necessary;
			5. review performance reports of the Agency and regional implementing bodies and give directions for improvement;
			6. review the nationwide implementation of the proclamation and give directions to relevant stakeholders;
			7. devise strategies to modernize community based health insurance functions and follow up the implementation;
			8. create a platform for integration of stakeholders to insure the proper implementation of health insurance functions;
1. **Meetings of the Council**
	* + 1. The Council shall meet twice a year; provided, however, that it may hold a meeting at any time where necessary.
			2. The presence of more than half of the members of the Council shall constitute a quorum.
			3. Decisions of the Council shall be passed if supported by three fourth of voting members;
			4. Without prejudice to the provisions of this article the Council, may adopt its own rules of procedure.

**CHAPTER FOUR**

**MEMBERSHIP, CONTRIBUTION AND BENEFIT PACKAGE**

1. **Membership**
	* + 1. Anyone in the informal sector shall be a member of Community Based Health Insurance.
			2. Memberships shall be at family level and the registration shall be made by head of the household.
			3. Notwithstanding the provision of sub-Article 2 of this Article, membership may be made to be at individual level as deemed appropriate.
2. **Registration and Renewal Period**
	* + 1. Registration will be valid for one year and subject for renewal on annual basis.
			2. Member registration or renewal will be carried out once a year for a period of two consecutive months.
			3. The period of registration and renewal shall be determined by respective regional implementing body.
3. **Membership Contribution**
	* + 1. Members shall pay annual contributions to the Community Based Health Insurance System.
			2. The contribution to be paid for core family members shall be determined without taking family size into consideration and additional fee shall be applied for additional family members.
			3. The contribution will be covered by the equal share of the member and the government in the form of general subsidy.
			4. The annual contribution of the indigents shall be covered through targeted subsidy.
			5. Considering the community’s ability to pay and cost of health services, the contribution amount may vary with income level and between urban and rural settings.
4. **Benefit Package**
5. The benefit package for Community Based Health Insurance beneficiaries will be from essential health service package.
6. The benefit package covered by the Community Based Health Insurance system shall be provided to beneficiaries through health facilities contracted by Federal and Regional health insurance implementing bodies.

**CHAPTER FIVE**

**SOURCE OF FINANCE AND ADMINISTRATION**

1. **Source of Finance**

Sources of finance for the Community Based Health Insurance are:

1. registration fee and contribution from paying members;
2. targeted subsidy;
3. general subsidy;
4. financial support from developmental partners;
5. other sources.
6. **Finance Utilization**
7. The resource collected according Article 17 of this Proclamation shall mainly be used to pay for health service of beneficiaries.
8. Without prejudice to the provision of sub- Article (1) of this Article, the resources collected may also be used for any other related petty expenditures.
9. **Finance Administration and Control**
10. The bodies that administer the pools at all levels shall keep complete and accurate financial records.
11. The financial administration and utilization of the Community Based Health Insurance shall be governed and audited according to the relevant government financial administration laws and shall also be reported to relevant bodies.
12. **Deficit Coverage**

When community based health insurance system faces financial deficits, the deficit shall be covered from the reserve fund.

When the regional pool faces financial deficit that is beyond the amount set aside in the regional reserve fund, the shortfall shall be covered by the administrative level where the pool that faced deficit is established.

When the national pool faces financial deficit that is beyond the amount set in the national reserve fund, the shortfall shall be covered by federal government.

**CHAPTER SIX**

**RISK MANAGEMENT**

1. **Co-payment**

Beneficiaries may be required to pay co-payment when visiting a primary level health care unit.

1. **Referral System**
	* + 1. Members can access health services only through following the already established referral system.
			2. Cost of health services for any beneficiary who uses the health service without following the referral system shall not be covered by the Community Based Health Insurance.
			3. Without prejudice to sub-Article 1 of this Article, it is not mandatory to follow the referral system for emergency medical cases.
2. **Payment and Medical Audits**

The implementing body shall conduct medical and claim audit on the payment request submitted by the health facilities. The detail implementation of this article shall be determined by the Agency’s directive.

**SECTION SEVEN**

**MISCELLANEOUS PROVISIONS**

1. **Responsibilities of Health Facility**

Health facilities:

* + - 1. shall ensure health services provision meets the national health care standards set by the relevant body;
			2. shall ensure the health service provided to beneficiaries is in accordance with the standard treatment guidelines; and
			3. shall cooperate during medical and claim audit and provide any information.
1. **Responsibilities of the Member**

A member:

* + - 1. shall provide accurate information about his/her family members and get them enrolled;
			2. shall keep the member identification card with due care, by allowing the identification card to be used only by authorized family members and not passing it over to third party;
			3. shall pay registration and renewal fees; and
			4. duly disclose members of the family who are added by birth, who have attained majority, and who are deceased.
1. **Responsibilities of a Beneficiary**

Any beneficiary:

* + - 1. shall bring membership identification card when visiting health facilities and show when requested;
			2. shall keep its membership identification card with due care and shall not give it to third party;
1. **Confidentiality of Information**
2. Any employee of the implementing body has an obligation to keep the secrecy of member’s medical information;
3. Other laws relating to confidentiality of personal or medical information shall apply to employees of the implementing body and to entities having service agreement with the implementing body.
4. **Administrative Measures**
5. Any health institution or other person engaged in Community Based Health Insurance that violates this proclamation or the laws governing implementation of this proclamation, shall be subjected to the administrative measures specified under this article.
6. Any health facility that negligently violates this proclamation or the laws governing the implementation of this proclamation and causes for the first time a damage classified as minimum in the Directive to follow this proclamation shall be subject to written notice, without terminating the contract.
7. As per sub article (2) of this article, if a health facility is found to infringe on the provisions to get undue benefits or if the damage caused by negligence is classified as high in the Directive to follow this proclamation or does it for a second time from negligence; it may be denied from participating in the Community Based Health Insurance system or be suspended for a specified period of time.
8. If any health professional is believed to infringe this proclamation or laws governing the implementation of this proclamation, the implementing agency shall notify to the appropriate health professionals supervisory entity to take action.
9. **Complaints Handling**
10. Complaint handling body shall be established at Federal and Regional level. Details on structure and working modalities shall be determined by directive of the appropriate body.
11. Any individual deprived of services, not satisfied with the services or who faced administrative measures in accordance with this proclamation can file a complaint.
12. Any individual specified under sub article 2 of this article has the right to have his/her complaints heard by the complaint handling body and he/she has the right to present a written compliant, to provide evidence, to provide counter response to a response and to ask for copy of the decision.
13. Anyone who has complaint on the administrative measures taken under Article 30 shall submit a complaint to the complaint handling body in writing within 30 days of receiving the decision.
14. The complaint handling body that received complaint pursuant to sub- Article (1) of this Article shall give a decision in writing within 30 business days from the date of receipt thereof.
15. The final decision on a complaint by complaint handling body as per this article shall be appealed to a relevant court of law.
16. **Penalty**
	* + 1. Any person who violates the provisions of this Proclamation or other laws following this Proclamation shall be charged according to the appropriate criminal law.
			2. As per Criminal Code Article 34 when any juridical person violating the provisions of this Proclamation shall be subjected to penalties in accordance with Article 90 of the criminal code.
17. **Civil Liability**

Any person who commits criminal offence against the administration of the community based health insurance system shall face additional civil liabilities separately or jointly with administrative measures.

1. **Obligation to Cooperate**

Relevant Federal and Regional bodies shall have an obligation to cooperate with the implementing body to fulfill its duties and obligations set forth in this Proclamation.

1. **Power to issue Regulation and Directives**
2. The Council of Ministers may issue regulations necessary for the implementation of this Proclamation.
3. The Agency may issue directives for the implementation of this Proclamation and regulations issued according to sub-article (1) of this Article.
4. **Non Applicable Laws**

Any Proclamation, regulation, directive or customary practice inconsistent with this Proclamation shall have no effect.

1. **Effective Date**

This Proclamation shall enter into force from the date of publication in the Federal Negarit Gazette.

SAHLEWORK ZEWDE

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA