

The Cooperative Health Insurance Law

**Issued by the Royal Decree No. 10 dated 1/5/1420H(1)
Based on the Cabinet of Ministers Resolution No 71 dated 27/4/1420H
Published in Umm Qura Gazette, issue No 3762 dated 30 /5/ 1420H**

Article (1)

This law aims at providing and arranging health care for non- Saudis residing in the Kingdom of Saudi Arabia as it may also apply to Saudi citizens as well as others, upon a resolution from the Cabinet of Ministers.

Article (2)

Cooperative health insurance shall cover all those it applies on and their families in accordance with paragraph 'B' of Article (5).

Article (3)

Taking into consideration the implementation phases mentioned in paragraph "B" of Article (5) and the requirements of articles (12&13) of this law, whoever sponsors a foreign resident shall be committed to subscribe for him, to the cooperative health insurance.

The residence permit [Iqamah] may not be granted or renewed save after obtaining the cooperative health insurance policy that covers residence period.

Article (4)

A council for health insurance shall be established headed by the Minister of Health and membership of:

- a- A representative of each of the following Ministries, not less in rank than undersecretary, nominated by their respective commands: Interior, Labor and Social Affairs, Finance and National Economy and the Ministry of Commerce.
- b- A representative of the Saudi Chambers of Commerce and Industry Council, nominated by the Minister of Commerce, and a representative of the cooperative health insurance companies, to be nominated by the Minister of Finance and National Economy in consultation with the Minister of Commerce.
- c- A representative of the private health sector and two representatives of the other governmental sectors to be nominated by the Minister of health in coordination with their sectors.

The appointment of the members of the Council and renewal of their

membership shall be upon a resolution of the Cabinet of Ministers for a period of three years renewable.

Article (5)

The Health Insurance Council shall undertake the supervision of the enforcement of this law, and may in particular:

- a- Prepare its Executive Regulation bill.
- b- Issue the necessary decisions for the organization of the changing issue in relation to the enforcement of the provisions of this law including specifying phases of execution thereof, limitation of the beneficiary family members covered with insurance, the way and sharing of both the beneficiary and the employer in the price of the health insurance, limitation of the maximum limit of such price basing on specialized study including insurance accounts.
- c- Adopt cooperative insurance companies to work in the cooperative health insurance field.
- d- Sanction the health facilities which provide cooperative health insurance services.
- e- Specify the financial consideration for the adaptation of cooperative insurance companies to enter such field and the financial consideration for sanctioning health facilities that provide cooperative health insurance services after consultation with the Ministry of Finance and National Economy.
- f- Issuing the Health Insurance Revenues and Expenses Financial Regulation including the wages and salaries of the employees and their rewards after consultation with the Ministry of Finance and National Economy.
- g- Issuing the bylaw [Regulation] for the organization of the Council Course of work.
- h- Appoint the Council Secretary General based on the nomination of the Minister of Health, from secretarial General and specify the Jurisdiction thereof.

Article (6)

The expenses necessary for health insurance council work performance and the wages of the employees thereof and their rewards shall be covered from the revenues collected by virtue of paragraph (E) of article “5” according to the agreement concluded between the Ministry of Health and the Ministry of Finance and National Economy.

Article (7)

Cooperative health insurance policy shall cover the following basic health services:

- a- Medical checkup, treatment in clinics, and medicines.
- b- Preventive Measures including vaccination and Maternity and infancy care.
- c- X- rays and lab tests the case may require.
- d- Hospitalization and treatment in hospitals including delivery and operations.
- e- Treatment of gum and dental diseases with exception of orthodontic and dentures.

Such services shall not prejudice the requirements of the provisions of the Social Insurance Law nor do they prejudice the health services provided by the private companies and establishments and individuals for their employees which are more comprehensive than what was stipulated in this law.

Article (8)

The employer may expand the scope of the cooperative health insurance by virtue of additional supplements and with additional cost to cover the diagnostic and therapeutic services not stipulated in the previous article.

Article (9)

All that related to the medical preventive measures to which the insured (covered) persons are subject including tests and vaccines during the period prior to the issuance of the cooperative health insurance policy shall be arranged by a decision of the Minister of Health.

Article (10)

The employer shall bear beneficiary treatment costs during the period elapsed between the treatment due date and the date of subscription in the cooperative health insurance.

Article (11)

a- Health services included in the cooperative health insurance policy for the bearer may—when needed be provided by governmental health facilities against a financial consideration to be burdened by the health insurance authority.

The health insurance council shall determine such facilities and consideration.

b- The Minister of Health shall, after agreement with the Minister of Finance and National Economy, specify procedures and rules of collecting the financial consideration stipulated in the previous article.

Article (12)

Medical treatment of the employees working at the government authorities and covered with this law, and their families shall be made in the governmental health facilities when such are directly contracted with such authorities and under their sponsorship, and their contracts stipulated their right in medical treatment.

Article (13)

Establishments and companies having qualified medical institutions may, by a decision of the Health Insurance Council, be exempted from subscription in the cooperative health insurance of services it provides for their employees.

Article (14)

a- If the employer is not subscribing or not paying the premium for the employee working at him upon whom this law is applicable as upon the family thereof included in his cooperative health insurance policy, such shall be obliged to pay all premiums due in addition to a fine not exceeding the beneficiary's annual subscription, and he may also be permanently or temporary deprived of recruiting foreign employees. The executive regulation shall, in this case, specify the authority to which such due premiums are to be paid.

b- If any cooperative company violates any of its commitments specified in the cooperative health insurance policy, such shall be obligated to satisfy its commitments and to fulfill its obligations and compensate damages arising from such violation, in addition to a fine not exceeding five thousand riyals for every employees covered with the policy object of violation.

c- A committee or more shall be formed by a decision of the president of the Health Insurance Council in which representative of the following are participated:

- 1/ Ministry of Interior.
- 2/ Ministry of Labor and Social Affairs.
- 3/ Ministry of Justice.
- 4/ Ministry of Finance and National Economy.
- 5/ Ministry of Health.
- 6/ Ministry of Commerce.

Such committee shall have jurisdiction in examining the violations of the provisions of this and proposing the appropriate penalty which shall be inflicted (signed) by the president of the Health Insurance Council. The executive regulation shall specify the manner in which such committee performs its works.

Complaining of this decision may be made before the Board of Grievances within sixty days of notification.

Article (15)

The resident who is not under job sponsorship shall replace the employer in the obligations incumbent upon such by virtue of this law.

Article (16)

The Ministry of Health shall assure the quality control of health services provided for beneficiaries.

Article (17)

Cooperative health insurance shall be executed through the qualified Saudi Cooperative Insurance Companies adapting Cooperative Insurance method on pattern of the National Cooperative Insurance Company and in accordance with what was mentioned in the decision of Senior Muslim Scholars [Ulamaa] Authority No."51" dated 4/4/1397 H.

Article (18)

The Minister of Health shall issue the executive regulation of this law within a period not exceeding one year of its issuance date.

Article (19)

This law shall be published in the official Gazette and shall be effective after (90) days of the issuance of the executive regulation, the provisions on establishing the Health Insurance Council and specifying its jurisdictions shall become effective as of the Law issuance date.

(1) 13 Aug 1999.