

# An overview of the new Iraqi Health Insurance Law

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This Article aims to provide an overview of the recently issued Iraqi Health Insurance Law no. 22 of 2020 (the 'Health Insurance Law'). This Article will cover the entry into force, insurance coverage, financing of the healthcare insurance programme, and interaction with healthcare providers.

## Entry into force

The Health Insurance Law specifies three transitional phases for its entry into force. The first phase will conclude after twelve months from publication of the Health Insurance Law in the official gazette. Specifically, a public insurance provider, the "Health Commission" should be established in the Ministry of Health by 23 December 2021. The Health Insurance Law then requires the Health Commission to create and maintain a database of potential beneficiaries in the following categories:

- members of the General Federation of Employees' Union;
- members of the General Federation Farmers Union;
- members of the unions who are not public employees;
- beneficiaries of the political prisoners' institute and the Mayor's institute;
- employees registered in the Ministry of Labour social security department;
- all other Iraqis, presumably to be clarified by regulations to be issued by the Ministry of Health.

Despite the above database, insurance coverage is only mandatory for government employees and foreign expat workers. The Health Insurance Law requires all resident foreign expats, visitors and arrivals to apply and obtain approved health insurance coverage from insurance providers contracted with the Insurance Commission.

The Health Insurance Law does not specify a timetable for completing the database or completing the other steps required before the public insurance programme can be rolled out. However, the Health Insurance Law specifies one year after completion of the database and other preparatory steps to roll out the programme, register all covered beneficiaries, conclude with private and public healthcare providers, and issue health insurance cards.

## Insurance coverage

The Ministry of Health will continue to operate primary care centres and public hospitals, administer vaccines, and provide school healthcare services for free. The Health Insurance Law has a redistributive effect and treats covered beneficiaries differently depending on their income. Subject to regulations to be issued in co-operation with the Ministry of Health, the Health Commission will cover the cost of health care benefits determined by regulations to be issued by the Ministry of Health and beneficiaries will generally

have to pay the following:

- 25 to 50 per cent of the cost of medicine;
- 10 per cent of the cost of surgeries in public hospitals;
- 25 per cent of the cost of surgeries in private hospitals;
- 10 per cent of other healthcare services cost.

## Financing the Healthcare Programme

The Health Commission is an independent legal entity that tax exempt and will be financed from the following sources:

- allocation from the government budget as a part of the budget for the Ministry of Health;
- mandatory contributions of employers and companies (to be determined by a regulation issued by the Council of Ministers);
- donations, interest, and investments;
- insurance premiums (subject to further regulations, the Health Insurance Law envisions that the Health Commission will collect an initial fee ranging from 10,000 IQD (approximately US\$6.85) to 100,000 IQD (approximately US\$68.5) and a monthly premium ranging from 1 to 2.5 per cent of an employee's salary;
- fines for non-compliance;
- 35 per cent of taxes and fines on tobacco and other substances harmful to health.

## Interaction with Healthcare providers

The Health Insurance law provides a mandate for the Health Commission to contract with public and private healthcare providers and issue regulations in co-operation with the Ministry of Health concerning the practices of such healthcare providers as well as supervision of the healthcare services offered to covered beneficiaries. Those regulations are intended to regulate, among other matters, the following:

- time spent with each patient;
- use of technology and medical devices;
- prescribing medication;
- healthcare information management;
- monitoring healthcare providers' compliance with Health Commission contracts;
- protection of patient rights;
- diagnosis and treatment;
- quality and price of healthcare service;

The Health Insurance Law allows the Health Commission to terminate contracts with health institutes unilaterally after an internal administrative investigation and then collect debt claims directly without going to court under the Government Debt Collections Law No 56 of 1977. In addition, any assets of the Health Commission cannot be attached for monetary claims. Furthermore, subject to any additional contractual penalties the Health Commission can impose a fine of 5,000,000 IQD (approximately US\$3,400) per contract violation and a fine of 1,000,000 IQD (approximately US\$685) for impeding inspections or supervision of the Health Commission. Fines will double for repeat violations.

The Health Insurance Law does not distinguish between the regulatory and commercial contractual roles of the Health Commission. A healthcare provider does not have any meaningful legal recourse to resolve a dispute with the Health Commission besides appealing to the management board of the Health

Commission the decision of which is final.

## Conclusion

The Health Insurance Law introduces some structural changes in the Ministry of Health. The new law establishes a Health Commission which will be better positioned to outsource healthcare functions that are currently discharged by public hospitals and healthcare institutions to private healthcare providers. This is a step forward in privatising the Iraqi healthcare industry that is currently dominated by the public healthcare sector. However, contracting with the Health Commission will be highly regulated. The Health Commission will also contract with and accredit insurance companies that will have a monopoly on providing minimum mandatory health insurance to foreign expats in Iraq.

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