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Statute of the State Agency for Mandatory Medical Insurance



The "Statute of the State Agency for Mandatory Medical Insurance" was approved by the Decree of the President of the Republic of Azerbaijan, Mr. Ilham Aliyev, signed on September 6, 2017.

The Statute approved by the above Decree includes the following provisions:

1. General provisions

1.1. The State Agency for Mandatory Medical Insurance (hereinafter referred to as the Agency) is a public legal entity established on the basis of the State Agency for Mandatory Medical Insurance under the Cabinet of Ministers of the Republic of Azerbaijan, in accordance with the Decree No. 1125 of the President of the Republic of Azerbaijan "On Certain Measures for Improving Public Administration in the Republic of Azerbaijan", dated November 24, 2016. The Agency ensures the introduction of compulsory health insurance, owns necessary funds to finance medical services within basic (key services) package and provides payment of necessary costs as the recipient of healthcare services.

1.2. In its activities the Agency is guided by the Constitution of the Republic of Azerbaijan, the laws of the Republic of Azerbaijan, this Charter, other decrees and orders of the President of the Republic of Azerbaijan, resolutions and orders of the Cabinet of Ministers of the Republic of Azerbaijan and other normative legal acts.

1.3. When performing its duties and exercising its rights, the Agency interacts with governmental and local self-governance bodies, international and non-governmental organizations, other legal and physical persons.

1.4. The agency is engaged in activities that are of national and public importance. The Agency has the right to engage in entrepreneurial activity in order to achieve the goals set in this Charter.

1.5. The Agency has an independent balance sheet, property, treasury and bank accounts, seals, stamps and letterheads with the name of the Agency.

1.6. Under the relevant legislation, the Agency shall have the right, as well as duties to enter into transactions, acquire and exercise proprietary and non-property rights on its own behalf and acts as a plaintiff and defendant in court.

1.7. The Agency is located in the city of Baku.

2. Goals and scope of activities of the Agency

2.1. The goal of the activities of the Agency is to involve the population of the Republic of Azerbaijan to compulsory health insurance, consolidate funds for financing medical services in the framework of the basic package (basic services), implement measures in support of improving the quality of medical services, ensure the availability of these services to the public, and protect rights and legitimate interests of insured persons and ensure the rational use of funds accumulated through the application of compulsory health insurance, as well as on time execution of insurance payments.

2.2. The scope of work of the Agency shall include the followings:

2.2.1. participate in the formation of a unified policy in the field of compulsory health insurance and ensure the implementation of this policy;

2.2.2. arrange for compulsory health insurance for the population and ensure the financial sustainability of compulsory health insurance;

2.2.3. create equal conditions for the population to use health services within the mandatory health insurance program, take measures aimed at improving the quality and effectiveness of medical services in order to protect the public health and ensure the availability of mandatory medical insurance for all;

2.2.4. ensure development in mandatory health insurance sector.

3. Duties and rights of the Agency

3.1. The Agency, in accordance with the scope of activity established by this Charter, performs the following duties:

3.1.1. participates in the development and implementation of state programs, strategies and development concepts dedicated to mandatory health insurance public health;

3.1.2. conducts research related to mandatory health insurance taking into account international experience and prepares proposals to define the basic package (basic services) relying on the results of these research;

3.1.3. prepares proposals for determining the amount of contributions for mandatory health insurance, as specified by the Law of the Republic

of Azerbaijan "On Medical Insurance";

3.1.4. ensures collection and designated use of the mandatory health insurance contributions and other means established by this Charter, creates insurance reserve funds in order to ensure the financial stability of the mandatory health insurance;

3.1.5. carries out measures to improve the quality of medical services provided to the population within the framework of the basic package (basic services);

3.1.6. enter into agreements with medical institutions for the provision of medical services provided in the basic package (basic services);

3.1.7. makes insurance payments to the medical facilities, in the manner and terms established in the relevant agreement, for medical services provided in the amount set in the basic package (basic services);

3.1.8. signs agreements on mandatory health insurance with applicants in order to insure their risks related to mandatory medical insurance;

3.1.9. exercises controls on the compliance of the scope, timing, quality and tariffs of medical services provided by medical institutions in the framework of the basic package (basic services) with the terms of the contract concluded with the parties;

3.1.10. In view of the requirements of the Law of the Republic of Azerbaijan "On Individual Data", creates a unified system of electronic information and an electronic database in the field of mandatory health insurance and provides opportunities for medical facilities and other users to use this electronic information system;

3.1.11. maintains a single registry of medical facilities involved in mandatory health insurance;

3.1.12. organizes trainings on mandatory health insurance;

3.1.13. provides guarantees for protection of the rights of insured persons in the mandatory health insurance system;

3.1.14. coordinates activities of government bodies in areas related to mandatory health insurance;

3.1.15. offers proposals on the scope of development of the mandatory health insurance system;

3.1.16. participates in the development and implementation of international treaties

regarding the activities of the Agency and to which the Republic of Azerbaijan became a party;

3.1.17. take necessary measures to protect state and commercial secret and information that is confidential under the Law of the Republic of Azerbaijan "On Individual Data" and protect the regime of confidentiality, as well as the information that constitutes doctor-patient confidentiality;

3.1.18. communicate information on own activities to the public, creates own website where public information available to the Agency and the list of which is established by of the Republic of Azerbaijan "On Acquisition of Information" is posted and updated this information constantly;

3.1.19. carries out measures for the purpose of campaigning the mandatory health insurance and educating the people in this sphere;

3.1.20. carries out measures to improve the structure and activities of the Agency;

3.1.21. reviews applications received in connection with the activities of the Agency;

3.1.22. implements joint targeted programs and projects financed by state bodies, international organizations, legal and physical persons;

3.1.23. ensures designated use of budgetary funds, credits, grants and other financial means allocated to the Agency;

3.1.24. Provides information support to and arrange for security of the Agency;

3.1.25. Performs other duties as defined by corresponding legislation and acts of the President of the Republic of Azerbaijan.

3.2. The Agency shall have the following rights to perform its duties:

3.2.1. develop or participate in the development of draft legal acts governing the scope of mandatory health insurance;

3.2.2. come up with an initiative for the Republic of Azerbaijan to become a party to international treaties in the field of mandatory health insurance, organize international conferences, seminars and other international events related to activities of the Agency's activities and participate in such events;

3.2.3. establish international relations, cooperate with international organizations and relevant government state bodies (institutions) of foreign countries;

3.2.4. study international experience in the field of mandatory health insurance and exchange

experience with appropriate agencies operating abroad;

3.2.5. direct free financial resources to invest in the local market in order to increase the amount of funds intended for financing mandatory health insurance and ensure the financial sustainability of the mandatory health insurance;

3.2.6. choose a medical facilities for the provision of medical services within the framework of the basic package (basic services);

3.2.7. prepare proposals for setting tariffs for medical services provided under the basic package (basic services);

3.2.8. prepare proposals for determining the list and tariffs of medical services that are not covered by the basic package (basic services);

3.2.9. appeal the court to achieve the compensation of the damage caused to the insured person as the result of the fault of the medical facility and (or) the medical worker;

3.2.10. participate in the accreditation of private healthcare facilities;

3.2.11. pay partially or refuse to pay for medical services in case of breach of contract by medical facilities;

3.2.12. except for damages caused by insured person, demand from physical and legal persons responsible for damage caused to health to reimburse costs of the medical assistance provided to the insured person;

3.2.13. monitor the scope and quality of medical services provided to insured persons;

3.2.14. control the validity of insurance payments transferred to medical facilities for the medical services provided to insured persons;

3.2.15. send to the governmental and local self-governance bodies, physical and legal persons inquiries to obtain necessary information (documents) on mandatory health insurance;

3.2.16. cooperate with independent experts and specialists, including consulting companies to involve them in own activities;

3.2.17. undertake research in the field of mandatory health insurance, prepare analytical and methodological materials, publish special newsletters and other publications;

3.2.18. involve volunteers in own activities;

3.2.19. exercise the rights to the property under its use as provided by relevant legislation;

3.2.20. attract investments to contribute to the

development of mandatory health insurance;

3.2.21. lease or use the state property owned by Agency, as specified by the legislation;

3.2.22. establish economic entities or participate in such entities in order to perform statutory duties;

3.2.23. exercise other rights established by law and acts of the President of the Republic of Azerbaijan.

4. Management of the Agency

4.1. In activities and management, the Agency shall introduce progressive corporate governance standards.

4.2. The Agency shall be governed by Board.

4.3. The Board shall manage and exercise control on the Agency. The Board is formed of five members – the Chairperson of the Board and two Vice-Chairpersons appointed and dismissed by the President of the Republic of Azerbaijan and other two members appointed and dismissed by the Cabinet of Ministers of the Republic of Azerbaijan with the consent of the President of the Republic of Azerbaijan. The term of office of the members of the Board is 5 (five) years.

4.4. In case of temporary absence of the Chairperson of the Board, his/ her powers are exercised in accordance with the split of responsibilities approved by the Chairperson of the Board.

4.5. The Board shall perform the following duties:

4.5.1. determines the strategic goals and plans of the Agency and informs the President of the Republic of Azerbaijan thereabout;

4.5.2. presents to the President of the Republic of Azerbaijan proposals and documents to exercise of the powers of the founder;

4.5.3. By March 31, prepares and submits to the President of the Republic of Azerbaijan annual report on the status and prospects for the development of the mandatory health insurance system for the previous year, as well as an annual report on the activities of the Agency;

4.5.4. reviews drafts of legal acts on improving the activities of the Agency, sends them further to the relevant government agencies and departments;

4.5.5. ensures that the funds provided for in subparagraph 3.1.23 of this Charter are expended for designated purpose;

4.5.6. Reviews the requests of the members of the

Board and takes decision;

4.5.7. determines the procedure and conditions to exclude conflict of interests when the Board members and employees perform their activities and control over their implementation;

4.5.8. Applies for getting permission for establishment of economic entities of the Agency or participation in such entities, as well as establishment of structural units, branches and representatives offices with the consent of the President of the Republic of Azerbaijan;

4.5.9. controls the execution of the budget and the action plans of the Agency;

4.5.10. approves the internal rules, as well as the Regulations of structural units, branches and representative offices of the Agency;

4.5.11. with the approval of the President of the Republic of Azerbaijan:

1. Determines the structure and total number of staff units;

2. Determines the forms of remuneration of labor and salaries of employees of the Agency, taking into account the level of wages in the financial and capital markets of the Republic of Azerbaijan;

3. Approves financial planning and budget of the Agency;

4. Approves the cost estimates of the Agency;

4.5.12. Drafts the annual financial reports of the Agency;

4.5.13. Applies for getting consent for concluding a transaction with the consent of the President of the Republic of Azerbaijan for the amount exceeding 25 percent of the value of the Agency's net assets (transaction of special significance), as well as transactions with persons belonging to public legal entities (where the transaction value is 5 percent of assets or more);

4.5.14. decides on entering into a transaction with the relevant person worth up to 5 percent of the Agency's assets;

4.5.15. approves annual work plans related to the activities of the Agency, as well as reports on their implementation;

4.5.16. determines the procedure of forming the insurance reserve fund, as well as the rule for using this reserve;

4.5.17. Offers proposals on determining the amount of contributions for mandatory health insurance, as well as the procedure of their payment;

4.5.18. Appoints the external auditor of the Agency and adopts the audit report;

4.5.19. takes measures based on the results of audits of an external auditor, as well as other audits conducted;

4.6. Meetings of the Board are convened at least once a month. The Board meetings shall be initiated by a member of the Board. Meetings of the Board are eligible if they are attended by more than half of the members of the Board. Meetings of the Board are recorded in the appropriate order and decisions are taken on the issues discussed. Each member of the Board has one vote; decisions at meetings are taken by a simple majority of votes. If the votes are equal, the vote of the Chairperson of the Board (or another member of the Board replacing him/ her) is decisive. Abstaining from voting is not allowed to the Board members.

4.7. Chairperson of the Board:

4.7.1. Manages and represents the Agency;

4.7.2. Sets up the activities of the Agency, determines the agenda of the meetings and presides over the meetings;

4.7.3. convene meetings of the Board on his/ her own initiative or on the initiative of another member of the Board;

4.7.4. invites other persons to attend the Board meeting on their own initiative, as well as at the request of any other member of the Board;

4.7.5. Arranges the implementation of the acts adopted with respect to the scope of work of the Agency, verifies and controls the implementation;

4.7.6. issues binding internal instructions and orders in connection with the organization of the Agency's activities;

4.7.7. Keeps control over the use of the assets of the Agency to reach the goals provided for in this Charter;

4.7.8. repeals the decisions of the officials of the Agency that are contrary to the legislation;

4.7.9. Creates advisory committees and working groups related to the scope of activities of the Agency;

4.7.10. carries out the necessary measures to protect the state, commercial and doctor-patient confidentiality, including individual data and the confidentiality regime in the areas of activity of the Agency;

4.7.11. conducts transactions, concludes contracts and ensures their implementation on behalf of

the Agency within the powers established by this Charter;

4.7.12. Submits the President of the Republic of Azerbaijan representation on the appointment and dismissal of deputy chairpersons of the Board, as well as submits the Cabinet of Ministers of the Republic of Azerbaijan representation on appointment and dismissal of other members of the Board;

4.7.13. Approves the regulations of the Board;

4.7.14. Except for cases established by this Statute, takes decisions on the appointment and dismissal of Agency employees, including the employees of its structural divisions, branches and representative offices, as well as heads of business entities, take stimulatory and disciplinary measures about them;

4.7.15. Arranges remuneration of labor and development of professionalism of the employees;

4.7.16. Arranges the clerical work (records management) and archival business in the Agency;

4.7.17. Ensures the reception of citizens at the Agency, as well as review of applications of citizens;

4.7.18. takes decisions on matters not related to the competence of the Board under this Statute.

4.8. Members of the Board:

4.8.1. participate in the process of resolving issues within the competence of the Board;

4.8.2. become familiar with the agenda of the meeting of the Board, as well as the materials to be considered;

4.8.3. provides own opinion regarding the decisions to be adopted by the Board

4.8.4. Offers proposals on matters related to the competences of the Board for consideration at its meetings;

4.8.5. Become familiar with the decisions, meeting protocols and other documents of the Board.

4.9. Members of the Board should be impartial on issues reviewed at Board meetings, and refrain from actions and speeches that discredit the name of a member of the Board.

5. The Statutory Fund, property and the sources of financial activities of the Agency

5.1. The initial Statutory Fund of the Agency constitutes AZN 4.000.000 (four million).

5.2. Assets of the Agency are shaped from the statutory fund, other property transferred by the founder, as well as funds allocated from the state budget, profits generated from activities, donations,

grants, investments attracted and other funds not prohibited by law.

5.3. The Agency shall the property under its ownership solely for the purposes established in this Charter. The Agency shall exercise powers with respect to the state property under its ownership in the manner prescribed by the relevant legislation.

5.4. The Agency has the right to independently dispose of profits generated as a result of the activities of the Agency, its business entities, departments, branches and representative offices once taxes and other mandatory payments are paid in accordance with the established procedure.

5.5. Tariffs for the medical services provided by the Agency within the basic (basic services) packages specified by the President of the Republic of Azerbaijan, as well as medical services not covered by basic (basic services) packages shall be regulated prices (tariffs).

5.6. The Agency shall use the means at its disposal in accordance with this Statute and in accordance with the Agency's cost estimates.

5.7. The funds remaining on the Agency's account by the end of the financial year shall be used to finance expenses for the next year.

6. Form and scope of control over the Agency's activities

6.1. Controls of the activities of the Agency shall be exercised by the President of the Republic of Azerbaijan

6.2. The Agency shall submit to the President of the Republic of Azerbaijan, by March 31, an annual report on the status of the mandatory health insurance system for the previous year and prospects for its development, as well as an annual report on the Agency's activities.

7. Accounting and reporting in the Agency

7.1. The Agency maintains accounting records, compiles, submits and publishes financial statements in accordance with the procedure established by the Law of the Republic of Azerbaijan "on Accounting" for public legal entities.

7.2. The Agency maintains statistical records, compiles and submits statistical reports in accordance with the Law of the Republic of Azerbaijan "On Official Statistics".

7.3. The Agency ensures that financial and business activities of branches, representative offices, departments and business entities are audited.

7.4. The agency invites an external auditor to independently verify its activities.

8. Liquidation and reorganization of the Agency

The liquidation and reorganization of the Agency is carried out by the President of the Republic of Azerbaijan.



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