Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

13 December 2018 [shall come into force on 20 December 2018];

17 January 2019 [shall come into force on 23 January 2019];

13 June 2019 [shall come into force on 20 June 2019];

17 December 2020 [shall come into force on 1 January 2021];

9 December 2021 [shall come into force on 1 January 2022];

15 December 2022 [shall come into force on 22 December 2022].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following Law:

**Health Care Financing Law**

**Section 1. Terms Used in this Law**

(1) The terms used in this Law correspond to those terms used in the Medical Treatment Law and Law on the Rights of Patients, unless it is otherwise provided for in his Law.

(2) The following terms are also used in this Law:

1) **health care**– a set of measures provided by health care service providers for the ensuring, maintenance and renewal of the health of a person;

2) **primary health care**– a set of health care services provided to a person by primary health care providers in an outpatient medical treatment institution or place of residence of a person;

3) **secondary health care**– a set of health care services provided to a person by a medical practitioner specialised in a disease profile in a medical treatment institution and which is focused on emergency, acute or planned health care;

4) **tertiary health care**– a set of highly specialised health care services provided to a person by one or several medical practitioners with additional qualification who are specialised in a disease profile in a medical treatment institution;

5) **health insurance contributions**– contributions which a person makes voluntarily in order to acquire the right to receive health care services within the framework of the mandatory State health insurance.

**Section 2. Purpose of this Law**

The purpose of this Law is to ensure sustainable health care financing which is based on the involvement of the entire society in responsible payment of taxes in order to promote health care financing conforming to good international practice and efficient use thereof, thus promoting the availability of health care and improvement of the public health indicators.

**Section 3. Scope of Application of this Law**

This Law prescribes the general principles and structure of the health care financing system and governs the financial and organisational structure of the mandatory State health insurance.

**Section 4. Sources of Health Care Financing**

(1) Health care financing sources are:

1) a State budget subsidy from the general revenues in accordance with the annual State budget law;

2) a State budget subsidy from the general revenues which are formed by revenues from the distribution of the mandatory State social insurance contributions for the financing of health care services (a part of the mandatory contributions which corresponds to one percent point of the rate of mandatory contributions) in accordance with the annual State budget law;

3) a State budget subsidy from the general revenues which is formed by revenues from the health insurance contributions in accordance with the annual State budget law;

4) the State budget resources in the cases provided for in the laws and regulations governing the field of health care related to ensuring the health care, and the administration and supervision of the health care sector;

5) the patient co-payments provided for in this Law;

6) the resources of European Union funds and other foreign financial instruments;

7) the local government budget financing in accordance with the local government decisions taken for ensuring the availability of health care services, and also covering costs of certain services;

8) own revenue of the State and local government medical treatment institutions.

(2) The financing of the general government sector for the health care [within the meaning of Paragraph 2.113 of Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union] shall form at least four per cent of the gross domestic product starting from 2020. Starting from 2019, the financing may not be less than in the previous year except for the financing which is granted for a definite period of time and for a specific purpose.

**Section 5. Use of the State Financing Granted for Health Care**

(1) The State budget subsidies from the general revenues granted to the programme of the Ministry for Health for ensuring health care shall be allocated as follows in conformity with the annual State budget law:

1) for ensuring the State paid medical assistance minimum;

2) for ensuring health care services within the framework of the mandatory State health insurance;

3) for the establishment, renewal and maintenance of the State material reserves related to ensuring of health care in emergency situations;

4) for health care, also prophylaxis, programme measures;

5) for health care research and development programme measures;

6) for disease prevention and control measures;

7) for ensuring medical rehabilitation.

(2) The Cabinet shall determine the health care services for which the funds of the State budget subsidies from the general revenues granted to the programmes of the Ministry of Justice, Ministry of Defence and Ministry of the Interior for ensuring health care, the groups of persons which have the right to receive the abovementioned health care services, and also the groups of patients for which patient co-payment is covered from the financial resources referred to in this Section.

(3) The Cabinet shall determine the health care services which are not covered from the financial resources referred to in Paragraph one of this Section.

(4) In order to ensure the availability of the State paid health care services, upon an increase in the annual State budget financing for health care services:

1) it shall be divided between emergency medical assistance, primary, secondary and tertiary health care services;

2) increase in work remuneration for the employees who are providing the State paid health care services shall be ensured.

**Section 6. Patient Co-payments**

(1) Upon receipt of the State paid health care services, a person shall make the patient co-payment to a health care service provider.

(2) The following groups of persons are released from the patient co-payment:

1) children up to 18 years of age;

2) pregnant women and women during the post-natal period of up to 70 days, if they receive health care services related to pregnancy and post-natal observation and the course of the pregnancy;

3) politically persecuted persons, participants of the national resistance movement and victims of the accident at the Chernobyl nuclear power station, and also victims of the elimination of the consequences thereof;

4) persons who are suffering from tuberculosis, and person for whom screening examinations are carried out to detect tuberculosis;

5) mentally ill persons while receiving psychiatric medical treatment;

6) persons while receiving chronic haemodialysis, haemodiafiltration and peritoneal dialysis procedures during the entire medical treatment process;

7) persons who receive health care services in the cases of infectious diseases specified by the Cabinet;

8) persons for whom emergency medical assistance is provided by a team of emergency medical assistance;

9) persons who receive services in the long-term social care and social rehabilitation institutions that are registered in the register of social service providers;

10) persons for whom a general practitioner carries out a general health examination and immunoprophylaxis in conformity with the vaccination calendar, and also carries out prophylactic inspections and screening examinations within the framework of the State organised cancer screening;

11) persons who receive vaccination within the framework of the vaccination calendar, emergency prophylaxis of tetanus, post-treatment immunisation to rabies, and also influenza vaccination in conformity with the laws and regulations regarding the procedures for the reimbursement of expenditures for the acquisition of medicinal products and medical devices intended for the outpatient medical treatment;

12) persons who receive long-term forced ventilation of lungs in domestic environment;

13) organ donors;

14) persons who receive health care at home or palliative care in an in-patient medical treatment institution in the amount determined by the Cabinet, and also palliative care provided by a family doctor during a home visit;

15) persons for whom Group I disability has been determined;

16) persons for whom Group II disability has been determined;

17) persons in need who have been recognised as such in accordance with the laws and regulations regarding the procedures by which a family or person living separately is to be recognised as needy;

18) employees of the State Emergency Medical Service;

19) asylum seekers.

(3) Paragraph two of this Section shall not apply to payments for the medicinal products and medical devices intended for outpatient medical treatment in accordance with the laws and regulations regarding the procedures for the reimbursement of expenditures for the acquisition of medicinal products and medical devices intended for the outpatient medical treatment.

(4) The Cabinet shall determine the procedures by which a patient shall make co-payments for the State paid health care services, the amount of a co-payment, and also the total amount of co-payments for the received health care services.

[*17 December 2020* / *Paragraph two, Clause 16 shall come into force on 1 January 2022. See Paragraph 4 of Transitional Provisions*]

**Section 7. Right to Receive the Emergency Medical Assistance**

Everyone has the right to receive the emergency medical assistance. The Cabinet shall determine the procedures for the receipt of emergency medical assistance.

**Section 8. State Paid Medical Assistance Minimum**

(1) The State paid medical assistance minimum shall include the following health care services:

1) the emergency medical assistance;

2) the birth assistance;

3) the health care services provided by general practitioners (including diagnostic examinations to ensure medical treatment in conformity with the competence of the general practitioner), and also the medicinal products and medical devices prescribed by a general practitioner and intended for the outpatient medical treatment of the diseases referred to in Clause 4 of this Paragraph in accordance with the laws and regulations regarding the procedures for the reimbursement of expenditures for the acquisition of medicinal products and medical devices intended for the outpatient medical treatment;

4) the health care services related to medical treatment of such diseases which have a significant influence on the public health indicators or which endanger the public health (including mental diseases, tuberculosis), and also the medicinal products and medical devices intended for the outpatient medical treatment of these diseases in accordance with the laws and regulations regarding the procedures for the reimbursement of expenditures for the acquisition of medicinal products and medical devices intended for the outpatient medical treatment.

(2) The Cabinet shall determine the list of health care services included in the State paid medical assistance minimum referred to in Paragraph one of this Section, the procedures for organising the provision of these services and making payment for them, and also the amount of fee for the abovementioned services.

**Section 9. Rights to Receive the State Paid Medical Assistance Minimum**

(1) The following persons shall have the right to receive the State paid medical assistance minimum:

1) a citizen of Latvia;

2) a non-citizen of Latvia;

3) a foreigner who has a permanent residence permit in Latvia, and a stateless person to whom the status of the stateless person has been granted in the Republic of Latvia;

4) a refugee or person to whom the alternative status has been granted;

5) a detained person;

6) an asylum seeker;

7) the persons referred to in Section 11 of this Law.

(2) A spouse of a citizen or non-citizen of Latvia who has a temporary residence permit in Latvia, but who is not the person referred to in Section 11 of this Law, has the right to receive the State paid birth assistance.

**Section 10. Mandatory State Health Insurance**

(1) The mandatory State health insurance is a set of measures based on the solidarity principle which is organised by the State in order to ensure the State paid health care services.

(2) Within the framework of the mandatory State health insurance, persons have the right to receive primary, secondary and tertiary health care services in addition to the State paid medical assistance minimum, and also the medicinal products and medical devices intended for outpatient medical treatment in accordance with the laws and regulations regarding the procedures for the reimbursement of expenditures for the acquisition of medicinal products and medical devices intended for the outpatient medical treatment.

(3) The Cabinet shall determine the list of the health care services included in the mandatory State health insurance referred to in Paragraph two of this Section, the procedures for organising the provision of such services and making payment for them, and also the amount of the fee for the abovementioned services and procedures for the formation of queues for the receipt of health care services.

**Section 11. Right to Receive Health Care Services within the Framework of the Mandatory State Health Insurance**

(1) The following persons shall have the right to receive health care services within the framework of the mandatory State health insurance:

1) the person who is socially insured for the health insurance in accordance with the law On State Social Insurance;

2) the person who is referred to in Section 9, Paragraph one, Clauses 1, 2, 3, 4 or 6 of this Law and who is not socially insured for the health insurance in accordance with the law On State Social Insurance, but who has made health insurance contributions.

(2) The persons referred to in Section 9, Paragraph one, Clauses 1, 2, 3, 4 and 6 of this Law shall have the right to receive health care services within the framework of the mandatory State health insurance if they belong to one of the following groups of persons:

1) children up to 18 years of age;

2) orphans and children left without parental care before reaching the age of 24;

3) persons who are studying in general education institution, vocational basic education or vocational secondary education institutions, participating in the programmes of European voluntary work or youth mobility, or are full-time students;

4) unemployed persons who have registered with the State Employment Agency;

5) organ donors;

6) victims of the accident at the Chernobyl Atomic Power Plant, and also victims of the liquidation of the consequences thereof;

7) persons who receive compensation for caring for a child to be adopted in the pre-adoption period;

8) persons who receive a benefit for caring for a disabled child or supplement to the State family allowance for a disabled child;

9) one of the parents who are bringing up a child in the age of up to seven years or at least three children in the age of up to 15 years;

10) persons who receive services in long-term social care and social rehabilitation institutions which are registered in the register of social service providers;

11) persons who have withdrawn themselves from the long-term social care and social rehabilitation institutions registered in the register of social service providers in order to receive social care and social rehabilitation services at the place of residence;

12) adults who receive the services of a group home registered with the register of social service providers;

13) persons who receive a child care benefit or parenting benefit;

14) persons for whom Group I or II disability has been determined;

15) persons for whom Group III disability has been determined;

16) persons to whom old-age pension has been granted (including, early) in accordance with the law On State Pensions, or persons who have attained the age laid down in the law On State Pensions at which the old-age pension is granted and to whom the State social security benefit has been granted;

17) persons to whom the service pension or a special State pension has been granted;

18) politically repressed persons and participants of the national resistance movement;

19) monks and nuns of traditional religious organisations who are living in monasteries;

20) persons who have suffered from violent criminal offences and victims of human trafficking the status of which is certified by a copy of the decision of the person directing the proceedings or a statement of the law-enforcement institution. The Cabinet shall determine a period during which the abovementioned persons are to regarded as insured persons;

21) persons who receive remuneration for the fulfilment of the obligations of a foster family.

(3) In addition to the persons referred to in Paragraphs one and two of this Section, also the following persons have the right to receive health care services within the framework of the mandatory State health insurance:

1) detained and convicted persons who serve their sentence in a prison;

2) children of the persons referred to in Paragraph one, Clause 1 of this Section up to the age of 18 years if the relevant person resides in Latvia in relation to employment or as a self-employed person, and the children up to the age of 18 years of the persons referred to in Paragraph one, Clause 1 of this Section, and also of the persons referred to in Section 9, Paragraph one, Clauses 1, 2, 3, 4, 5 and 6 of this Law;

3) spouses of the persons referred to in Paragraph one, Clause 1 of this Section who are residing in Latvia in relation to employment or as self-employed persons who have a temporary residence permit and who are raising a child in the age of up to seven years or at least three children in the age of up to 15 years;

31) persons whose spouse (on whom diplomatic rank has been conferred in accordance with the Diplomatic and Consular Service Law) performs diplomatic and consular service in a foreign country and who stay in the respective foreign country as the spouse of a person performing diplomatic and consular service in the foreign country;

32) persons who stay in the respective foreign country as the spouse of a soldier performing his or her service duties in the respective foreign country, except when the soldier participates in an international operation, military exercises or manoeuvres, or is on official travel;

33) persons who stay in the respective foreign country as the spouse of an Eurojust representative or liaison officer;

4) citizens of the Member States of the European Union, country of the European Economic Area or Swiss Confederation who reside in Latvia in relation to employment or as self-employed persons, and also their family members.

[*17 December 2020* / *Paragraph two, Clause 15 shall come into force on 1 January 2022. See Paragraph 4 of Transitional Provisions*]

**Section 12. Amount, Refund and Administration of Health Insurance Contribution**

(1) In a calendar year, the amount of the health insurance contribution shall be five percent of the twelvefold minimum monthly wage determined in the State.

(2) A person shall make health insurance contributions once a year in the State budget for the current calendar year, and also for two previous calendar years if the health insurance contributions for two previous calendar years have not been made or the person has not belonged to any of the groups of persons referred to in Section 11 of this Law.

(3) For a person to acquire the right to receive health care services within the framework of the mandatory State health insurance in a calendar year, if in the relevant calendar year he or she no longer corresponds to the provisions of Section 11, Paragraph one, Clause 1, Paragraph two or three of this Law, the amount of his or her health insurance contributions shall correspond to the amount which is calculated in accordance with the following formula:

the health insurance contribution = the health insurance contribution for a year× 1/12 × the number of the remaining full months (including the current month) in the current calendar year.

(4) The health insurance contribution made in the relevant calendar year shall be refunded if the person making health insurance contributions corresponds to any of the provisions of Section 11, Paragraph one, Clause 1, Paragraph two or three of this Law. The sum to be refunded shall be calculated in accordance with the following formula:

the sum to be refunded = the health insurance contribution for a year × 1/12 × the number of the remaining full months in the current calendar year.

(5) The health insurance contributions made in the relevant calendar year shall be refunded by the National Health Service after receipt of the request of the person making health insurance contributions.

(6) Health insurance contributions shall be administered by the National Health Service (hereinafter – the Service). The Cabinet shall determine the procedures for making the health insurance contributions and refunding thereof.

[*Paragraphs two, three, four and five shall come into force on 1 January 2019. Paragraph one shall come into force on 1 January 2020. / See Paragraphs 2 and 10 of the Transitional Provisions*]

**Section 13. Acquiring and Losing the Right to Receive Health Care Services within the Framework of the Mandatory State Health Insurance**

(1) A person shall acquire the right to receive health care services within the framework of the mandatory State health insurance from the day when he or she is included in the database of the recipients of health care services maintained by the Service. The Service shall include information in the database of the recipients of health care services within five days after receipt thereof.

(2) The Service shall include the following information in the database of the recipients of health care services:

1) personal data – the given name, surname, personal identity number, the address of the declared place of residence;

2) information which attests the conformity of the person to the provisions of Section 11 of this Law.

(3) A person shall lose the rights to receive health care services within the framework of the mandatory State health insurance from the moment when he or she is excluded from the database of the recipients of health care services.

(4) The Service shall exclude a person from the database of the recipients of health care services in the following cases:

1) three months have passed from the moment when the person no longer conformed to the conditions of Section 11, Paragraph one, Clause 1 or Paragraph two or three of this Law;

2) the relevant calendar year for which the person has made health insurance contributions has ended, except when the person has made health care insurance contributions for the next calendar year until the end of the respective calendar year;

3) the person has provided false information for inclusion in the database of the recipients of health care services.

(5) The decision of the Service to include a person in the database of the recipients of health care services or on his or her exclusion therefrom shall be taken by the official of the Service. The decision of the official of the Service may be contested before the Director of the Service. The decision of the Director of the Service may be appealed to a court in accordance with the procedures laid down in the Administrative Procedure Law.

(6) The Cabinet shall determine the procedures and deadline by which the authorities shall provide information for the inclusion of a person in the database of the recipients of health care services, time limits for the storage of such information, and also the procedures for the exclusion of persons from the database of the recipients of health care services.

[*Section shall come into force on 1 January 2019. See Paragraph 10 of Transitional Provisions*]

**Section 14. Competence of the Ministry of Health**

In the field of health care financing the Ministry of Health shall:

1) develop the health care financing policy;

2) develop the policy for organising the State paid health care services, and also shall control the implementation thereof.

**Section 15. Competence of the Service**

(1) The Service is the authority under the supervision of the Minister for Health which implements the following basic functions for ensuring the enforcement of this Law:

1) administers the State budget funds allocated for health care;

2) supervises the use of the State budget funds in medical treatment institutions and pharmacies.

(2) The advisory body of the Service shall be the advisory council of the Service in conformity with the competence laid down in Paragraph four of this Section.

(3) The Cabinet shall approve the by-laws of the advisory council of the Service. The Cabinet shall approve the composition of the advisory council of the Service on the basis of the proposal of the Minister for Health. One representative of the following institutions and organisations shall be included in the advisory council of the Service:

1) the Ministry of Health;

2) the Ministry of Finance;

3) the Ministry of Welfare;

4) an organisation of employers which is represented in the National Tripartite Cooperation Council;

5) an organisation of employees (a trade union) which is represented in the National Tripartite Cooperation Council;

6) the Latvian Association of Local and Regional Governments;

7) an association or foundation which represents patient interests;

8) the Latvian Medical Association.

(4) The advisory council of the Service shall:

1) examine the reports prepared by the Service on the use of the State financing for ensuring the health care services;

2) examine the proposals prepared by the Service for the criteria for the selection of the health care service providers and conditions for ensuring the availability of the health care services;

3) provide recommendations for the improvement of the operation of the Service in the field of the health care financing and supervision of the use of the State financing;

4) promote the improvement of laws and regulations governing the field of the health care;

5) fulfil the obligations laid down in the laws and regulations governing the field of the health care.

**Transitional Provisions**

1. Section 15, Paragraphs two, three and four of this Law shall come into force on 1 June 2018.

2. Section 12, Paragraph one of this Law shall come into force on 1 January 2020. Until 31 December 2019, the amount of the health insurance contribution shall be:

1) in 2018 – one percent of the twelvefold minimum monthly wage determined in the State;

2) in 2019 – three percent of the twelvefold minimum monthly wage determined in the State.

3. Until 1 July 2018, the Cabinet shall prepare and submit to the *Saeima* a report on ensuring the State paid health care services in the State, local government and private medical treatment institutions.

4. Section 6, Paragraph two, Clause 16 and Section 11, Paragraph two, Clause 15 of this Law shall come into force on 1 January 2022.

[*17 December 2020*]

5. In 2018, 2019, 2020, 2021, 2022, 2023 and the first six months of 2024, the person referred to in Section 11, Paragraph one, Clause 2 of this Law has the right to receive health care services within the framework of the mandatory State health insurance regardless of making the health insurance contributions.

[*15 December 2022*]

6. [13 June 2019]

7. Until 1 August 2018, the Cabinet shall develop and submit to the *Saeima* the draft law on the criteria for the inclusion of a health care service in the range of the State paid health care services, and the criteria by which the decision to enter into an agreement for ensuring the State paid health care services may be taken.

8. Until 1 May 2018, the Cabinet shall issue the regulations provided for in Section 12, Paragraph six, Section 13, Paragraph six and Section 15, Paragraph three of this Law.

9. Until 1 September 2018, the Cabinet shall issue the regulations provided for in Section 5, Paragraphs two and three, Section 6, Paragraph four, Section 7, Section 8, Paragraph two, Section 10, Paragraph three and Section 11, Paragraph two, Clause 20 of this Law. Until the day of coming into force of the relevant Cabinet regulation, but not longer than until 31 August 2018, the Cabinet Regulation No. 1529 of 17 December 2013, Procedures for Organising and Financing the Health Care, shall be in force, insofar as it is not in contradiction with this Law.

10. Section 12, Paragraphs two, three, four and five and Section 13 of this Law shall come into force on 1 January 2019.

11. When preparing the draft law on the State budget for 2019 and draft law on the medium-term budget framework for 2019, 2020, and 2021, the Cabinet shall provide State financing for increasing the work remuneration of health care employees in the amount of 20 per cent on average per year: in 2019 – EUR 87 483 708, in 2020 – EUR 191 227 820, and in 2021 – EUR 314 599 953.

[*13 December 2018*]

12. The National Health Service shall, until 31 December 2019, ensure refunding of the health insurance contributions referred to in Section 12, Paragraph one of this Law which have been made until 1 July 2019 into the account from which it has been received if the contribution has been made via transfer from a bank current account or in accordance with the submission of a person in which the current account has been indicated.

[*13 June 2019*]

13. The Cabinet shall develop and submit to the *Saeima* by 1 October 2022 draft law on the introduction of a single amount of the State paid health care services and comprehensive mandatory State health insurance.

[*13 June 2019; 17 December 2020; 9 December 2021*]

This Law shall come into force on the day following its proclamation.

This Law has been adopted by the *Saeima* on 14 December 2017.

President R. Vējonis

Riga, 31 December 2017