

**Supreme Decree No. 25265
(31st of December of 1998)**

Basic Health Insurance
Hugo Banzer Suarez
President of the Republic

Article 1 (Creation): The Basic Health Insurance is created, with the reach and the characteristics described in this Supreme Decree.

Article 2 (Nature and Objectives): The Basic Health Insurance seeks universal access and its destined to provide quality and culturally adequate essential health services. These services are promotional, preventive and curative in character, and are aimed to reduce maternal and children's mortality.

Article 3 (Access and Covered Individuals): Access to Basic Health Insurance is a right guaranteed by the State and it's free for all users. Every inhabitant of this country is protected by the Basic Health Insurance, within the limits of the services established in this decree.

Article 4 (Services on behalf of the children): All children under 5 years of age have the right to promotional, preventive and curative health care in the following areas:

- a) Newborn care.
- b) Promotion of children's nutrition and development.
- c) Treatment for infectious diseases, including acute diarrheic diseases, acute respiratory infections, sepsis and meningitis.
- d) Disease prevention through vaccination.

Article 5 (Services on behalf of the women): All women have the right to promotional, preventive and curative health care in the following areas:

- a) Prenatal care.
- b) Delivery and newborn care.
- c) Post partum control.
- d) Prevention and care for pregnancy complications.
- e) Transportation of obstetric emergencies.
- f) Information, education and communication regarding institutional deliveries.

Article 6 (Services on behalf of the general population): All of the country's population has the right to promotional, preventive, and curative health care in the following areas:

- a) Tuberculosis diagnosis and treatment.
- b) Malaria diagnosis and treatment.
- c) Cholera diagnosis and treatment.
- d) Sexually transmitted diseases diagnosis and treatment, with the exception of treatment for Acquired Immunodeficiency Syndrome.

e) Family planning counseling and services, respecting the person's free choice.

Article 7 (Reach of the Covered Services): In the case of the Articles 4 and 5, the services provided by the Basic Health Insurance include outpatient visits, inpatient hospital treatment, medicines, auxiliary diagnostic tests and follow up visits. For the attention to rural communities without health care facilities, the Basic Health Insurance covers the cost of periodical visits by health personnel and the care provided by community agents, trained, accredited and authorized.

Article 8 (Basic Health Insurance Service Network): The service network of the public sector and the health cooperatives will provide the services of the Basic Health Insurance, in a mandatory way. This will apply also to facilities that being dependent of Non Governmental Organizations, of Religious Organizations, and other providers, may enter the Basic Health Insurance through special agreements.

Article 9 (Financing): The Basic Health Insurance will be funded through the following means:

- a) Local Compensatory Health Funds created with municipal resources, equivalent to six point four percent (6.4%) of the eighty five percent (85%) of the Municipal Tributary Co-participation destined to investment. This will be paid in automatic installments by the Ministry of Land to the corresponding accounts and administered by the Municipal Governments. These funds will cover the expenses for medicines and other supplies (excluding vaccines, syringes and other essential supplies provided by the central level), materials reposition expenses, outpatient visits expenses, hospitalizations, auxiliary diagnostic tests, home visits, per diem and combustibles for the service delivery in rural communities without health service facilities, and patient transportation expenses in case of obstetric emergencies.
- b) Surplus of the Local Health Compensation Funds accounts established through the Supreme Decree No. 24303.
- c) Resources assigned by the National General Treasury for the payment of health personnel's salary, included in the current roster of the health sector.
- d) Resources from bilateral, multilateral, or other institutions and organizations' cooperation, provided in kind or cash.

Article 10 (Administration): The institutional framework for the administration of the Basic Health Insurance is as follows:

- a) Planning, Monitoring and Evaluation Normative Unit at the central level, responsible for the National Administration Unit of the Basic Health Insurance. It will be created for this purpose and will depend from the Ministry of Health and Social Welfare's Vice Ministry of Health.
- b) State Operational Coordination and Administration Units, in charge of the Basic Health Insurance State Administration Units. They will depend from the State Health Services, through their central structures and their decentralized units in the health districts.
- c) The providers cited in Article 8 of this Decree.
- d) The Municipal Governments regarding its auditing, financing, participation in the administration of the Local Health Compensatory Fund, and its legal role.

The social participation in the administration of the Basic Health Insurance will be done through the existing Community Based Organizations.

The competencies, functions and administrative procedures will be specified by Ministerial Resolution.

Article 11 (Local Health Compensatory Funds Surplus): The surplus of the Local Health Compensatory Funds, dated December 31st of each fiscal administration, will be kept in the corresponding accounts to cover the requirements of the Basic Health Insurance for the following fiscal administration. Information regarding the existing balance and the invoices pending payment will be sent quarterly by the Municipal Governments to the Basic Health Insurance State Administration Units, and from these to the Basic Health Insurance National Administration Unit for follow up.

Article 12 (Provision of Medicines and Supplies): The Health Districts' Directorates and facilities of the second and third level of attention, will acquire the essential medicines and medical and laboratory supplies, from the Health Supplies Central Distribution unit (CEASS, in Spanish), which is the Ministry of Health and Social Welfare's decentralized entity that runs the National Essential Medicines Program, applying quality, opportunity and cost criteria. In case of unavailability or a better economic option, these goods may be acquired from other legally established suppliers.

Article 13 (Rates and payment options): The Ministry of Health and Social Welfare, through a Ministerial Resolution, will establish the rates, incentives, frequency and form of payment for the Basic Health Insurance services, which will be mandatory at the national level. The Municipal Governments will refund the services provided within the framework of the Basic Health Insurance to the public and social security facilities, through funds' transfers for the amounts requested for the refund for services provided at the established rates.

For discharge of the Municipal Government, the health facilities will emit an aggregated certificate of the services provided to the beneficiary population. The emission and distribution of such certificates will be established through guidelines developed for that purpose, approved by Ministerial Resolution.

The Municipal Governments are authorized to transfer resources for the payment of the Basic Health Insurance services to other health care providers, as stated in Article 8 of this Supreme Decree.

Article 14 (Programming): In order to guarantee the financing and operation of the Basic Health Insurance, the Ministry of Health and Social Welfare, the Health Cooperatives, the State Prefectures and the Municipal Governments will program the necessary resources in their annual workplans and budgets.

Article 15 (Duration): The Basic Health Insurance will become effective on the 1st of January of 1999, in its following phases: training, medicines and supplies purchasing, technical and

administrative preparation of the services, and information dissemination to the population. The nation wide operational validity of the Basic Health Insurance will be effective on the 1st of March of 1999. The Ministry of Health and Social Welfare will create the appropriate regulation, which will be approved by Ministerial Resolution.

Article 16 (Transitory article): During the period between July and December of 1998, the payment of the three point two percent (3.2%) of the eighty five percent (85%) or the municipal tributary co-participation to the Local Health Compensatory Funds accounts will continue.

Article 17 (Abrogations and repeals): The Supreme Decree No. 24303 passed on May 24 of 1996 is hereby repealed.

Similarly, all legal dispositions that are contrary to this Supreme Decree are hereby abrogated and repealed.