

# HIGHLIGHTS OF LAW ON HEALTH INSURANCE

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Participating in health insurance is one of the fundamental rights of citizens, which has been stipulated in the Law on Health Insurance 2008 and its guiding documents. However, after 15 years of implementation, the Law on Health Insurance 2008 has revealed certain limitations and shortcomings. As a result, on November 27, 2024, the National Assembly issued Law No. 51/2024/QH15 to amend and supplement several provisions of the Law on Health Insurance (**Law on Health Insurance 2024**). Below are some highlights of the Law on Health Insurance 2024.



*Firstly, the Law on Health Insurance 2024 amends and supplements the regulations on health insurance participants, aiming to expand the scope of health insurance beneficiaries, ensuring alignment with the provisions of the Law on Social Insurance 2024, which focuses on some notable groups as follows:*

**(i)** For the group of participants that the employer, the employee, or both jointly pay health insurance premiums:

- The employees working under labor contracts of at least three months are replaced with those working under definite-term labor contracts of at least one month, including cases where the employee and the employer engage in a contract with a different title but its content reflects paid work, wages, and the management, direction, or supervision of one party;

- Several participants eligible for health insurance are supplemented, including controllers, representatives of state capital, representatives of enterprise capital as prescribed by laws; members of the Board of Directors, General Directors, Directors, members of the Board of Controllers or controllers, and other elected managerial positions of cooperatives, cooperative unions under the Law on Cooperatives, whether they receive a salary or not; foreign employees working in Viet Nam under definite-term labor contracts of at least 12 months with employers in Viet Nam; owners of registered business households subject to compulsory social insurance participation under social insurance laws.
- (ii)** For the group of participants whose health insurance are paid by social insurance agencies: The

Law supplements the participants namely employees on leave receiving sick benefits for at least 14 working days in a month under social insurance laws; and individuals on leave receiving maternity benefits for at least 14 working days in a month under social insurance laws.

*Secondly, the Law amends and supplements the regulations on health insurance premium rates and responsibilities to pay health insurance premiums as follows:*

**(i)** For the participants specified in point a, c, d, and e, clause 1 Article 12 of the Law on Health Insurance 2024 (e.g., employees working under indefinite-term labor contracts, representatives of state capital receiving salaries): The Law on Health Insurance 2024 abolishes the regulation requiring social insurance agencies to pay monthly health insurance premiums at a maximum of 6% of an employee's monthly salary before maternity leave during the period that the employee is on maternity leave. Instead, if the employee is on maternity leave for at least 14 working days in a month, their health insurance premiums will be paid by the social insurance agency at a maximum rate of 6% of the reference level.

**(ii)** For participants such as enterprise managers, controllers, representatives of state capital not receiving salaries, owners of registered business households subject to compulsory social insurance participation under social insurance laws: The Law on Health Insurance 2024 has supplemented a provision that the health insurance premium rate is a maximum of 6% of the monthly salary used as the basis for compulsory social insurance premiums, and the payment will be made by the participants themselves.

Regarding the reference level for determining health insurance premium rates, the Law on Health Insurance 2024 stipulates that the reference level is an amount determined by the Government for calculating premium rates and benefits for certain health insurance participants. Accordingly, the reference level will still be based on the base salary. However, in case of changes in wage policies, the Government shall decide on a specific reference level. This regulation enhances flexibility in adjusting health insurance premium rates, addressing the limitations of the Law on Health Insurance 2008 with the lack of a mechanism and roadmap for increasing premium rates to align with the growing demand for expanding the health insurance fund's coverage; and it also tackles the issue that Viet Nam's health insurance premium rates and average value of health insurance card are significantly lower than that of many countries in the region and worldwide.

*Thirdly, the Law supplements the regulations on late*

*payment, evasion of health insurance premiums payment, and corresponding measures for settling violations as follows:*

**(i)** Adding the cases identified as employers delays the payment of health insurance premiums, which include:

- Failing to pay or failing to pay in full the amount of health insurance premiums after the deadline for health insurance premium payment;
- Failing to make a list or making an incomplete list of individuals required to participate in health insurance within 60 days from the deadline;
- Being subject to the cases not considered as evasion of health insurance payment under the Law on Health Insurance.

**(ii)** Adding the cases identified as employers evading the payment of health insurance premiums, which include:

- Failing to make a list or making an incomplete list of individuals required to participate in health insurance after 60 days from the deadline;
- Registering a salary used as the basis for paying health insurance premiums lower than the amount stipulated by the Law on Health Insurance;
- Failing to pay or failing to pay in full the amount of registered health insurance premiums after 60 days from the deadline for health insurance premium payment, despite being reminded by the competent authority under Government regulations;
- Being subject to other cases deemed as evading the payment of health insurance premiums as prescribed by the Government.

**(iii)** Adding measures to handle violations related to late payment and evasion of health insurance premiums payment, which include:

- Forcing the violators to make full payment of the delayed/evaded amount, plus a penalty of 0.03% per day calculated on the outstanding amount and the number of days of delaying/evading payment to the health insurance fund (replacing the previous measure of forcing the violators to make full payment of the unpaid amount plus interest at twice as much as the interbank interest rate);
- Imposing administrative sanctions on violators or prosecuting those who evade the payment of health insurance premiums for criminal liability;
- Excluding violators from eligibility for commendation or awards.

Previously, the Law on Health Insurance 2008 did not provide any specific definitions for late payment or evasion in payment of health insurance premiums, leading to difficulties in applying appropriate measures for each level of violation under administrative or criminal sanctions. Additionally, despite the available regulations on handling such violations, late payment and evasion of health insurance premiums still persist in many localities and enterprises. The

supplementation of the definitions and measures for late payment and evasion in payment of health insurance premiums, along with corresponding penalties, will facilitate the application of appropriate measures for settling violations as well as establish clear and deterrent sanctions.

## **COMMENTS AND RECOMMENDATIONS**

The Law on Health Insurance 2024 has been enacted to improve policies and legal provisions on health insurance and address challenges and obstacles arising during the implementation of the Law on Health Insurance 2008. In addition to adjustments regarding health insurance participants, premiums rates, and payment responsibilities as well as provisions on late payment, evasion of health insurance premiums payment, the Law on Health Insurance 2024 also amends and supplements regulations on the scope and level of benefits for health insurance participants, payment methods, and other related matters. The Law on Health Insurance 2024 shall take effect on July 1, 2025; therefore, enterprises and individuals should promptly update the new provisions of the Law to fully understand their health insurance benefits and ensure compliance with the legal provisions on health insurance.