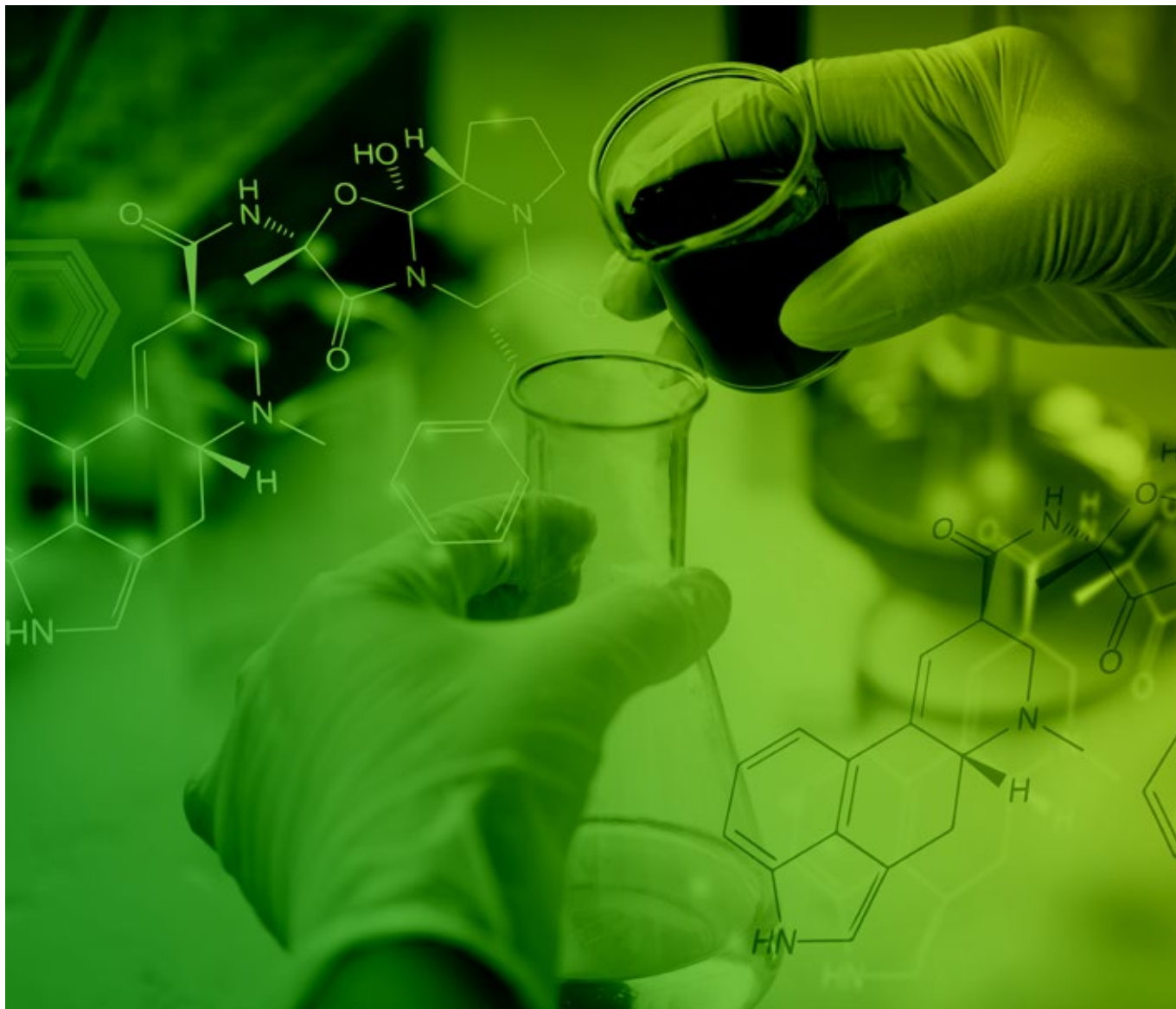




BSA

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Are you Complying or not?
Dubai Health Insurance –
Violations & Fines



Dubai Health Insurance – Violations & Fines

Dubai Executive Council issued Executive Council Resolution No (7) of 2016 (Resolution) pertaining to fees and fines pursuant to Health Insurance Law (No 11 of 2013) of the Emirates of Dubai.

As many of the readers are aware, The Dubai Health Authority promulgated Health Insurance Law (No 11 of 2013) of the Emirates of Dubai, which regulates mandatory health insurance coverage for all residents in Dubai. The Resolution deals with aspects of enforcement through several listed violations.

The Resolution compliments General Circular No.5 of 2014 (GC 05/2014) in respect of the Dubai health Authority's approach to enforcement of fines and penalties. At publication of GC 05/2014, the Dubai Health Authority initially took a supportive approach to non-compliance in order to encourage stakeholders to meet its compliance obligations. The DHA now takes punitive actions against those stakeholders that violate any of the regulatory obligations associated with Health Insurance Law (No 11 of 2013) of the Emirates of Dubai in order to protect residents of Dubai and uphold their legal rights.

What does this mean the stakeholders involved with health insurance in the Emirate of Dubai?

The Resolution extends the legal provisions of Health Insurance Law (No 11 of 2013) of the Emirates of Dubai in that it gives both the Dubai Health Authority (DHA) and Dubai Healthcare City Authority (DHCA), regulatory oversight to supervise the industry and the participating stakeholders. The Resolution permits both bodies to issue permits and penalties on the various stakeholders including insurance companies, third party claims administrators, medical providers, brokers and employers and sponsors that participate in the mandatory health insurance scheme in the Emirate of Dubai.

What should stakeholders that participate in Dubai mandatory health insurance be aware of?

Annexed to the Resolution is Table No. (1) (see below), which outlines the fees related to health insurance services including fees for obtaining and renewing permits for insurance firms, insurance brokers, claim management companies, hospitals, polyclinics and specialised clinics, pharmacies, laboratories, radiology and analysis centres and other related companies.

Table No. (2), list 56 violations with a specified fine for each (see below). The Resolution stipulates that offenders, who repeat an offence within a year of the date of the first fine, will be charged double the fine up to a maximum of AED 500,000. In addition to the fine, the DHA and DHCA can take further actions including the issuance of warnings to violators and suspension from providing health insurance related services in the Emirates for a period of up to 2 years, as well as revoking licenses. If a license is revoked, stakeholders are required to publish two notifications each on the cancellation of its license in a local Arabic and English language newspaper. Failure to do so can result in the company incurring a fine of up to AED 150,000.

All stakeholders involved with Dubai health insurance, including insurance companies should take care not to violate any of the regulatory provisions and make sure that they have completed a full legal and compliance audit in respect of their legal obligations under Health Insurance Law (No 11 of 2013) of the Emirates of Dubai. For example, some insurers may not have complied with the Essential Benefits Plan (EBP), in terms of the coverage that they may be offering residents of Dubai.

International private medical insurers that use primary fronting insurers to write their medical products locally in the Emirate of Dubai should make sure that they engage with their licensed partners for them to avoid any violations and reputational risks. They should also carry out proper audits. Note the regulatory risk is with those primary licensed insurers.

A translation of the law is set out below with details of the violation offences and financial penalties.

Government of Dubai

Executive Council Resolution No. (7) of 2016

Approving the Charges and Fines of Health Insurance in the Emirate of Dubai

We, Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council, Having perused Law No. (3) of 2003 on the Establishment of the Executive Council of the Emirate of Dubai;

Law No. (13) of 2007 on the Establishment of the Health Authority of Dubai, as amended, (hereinafter referred to as "Authority");

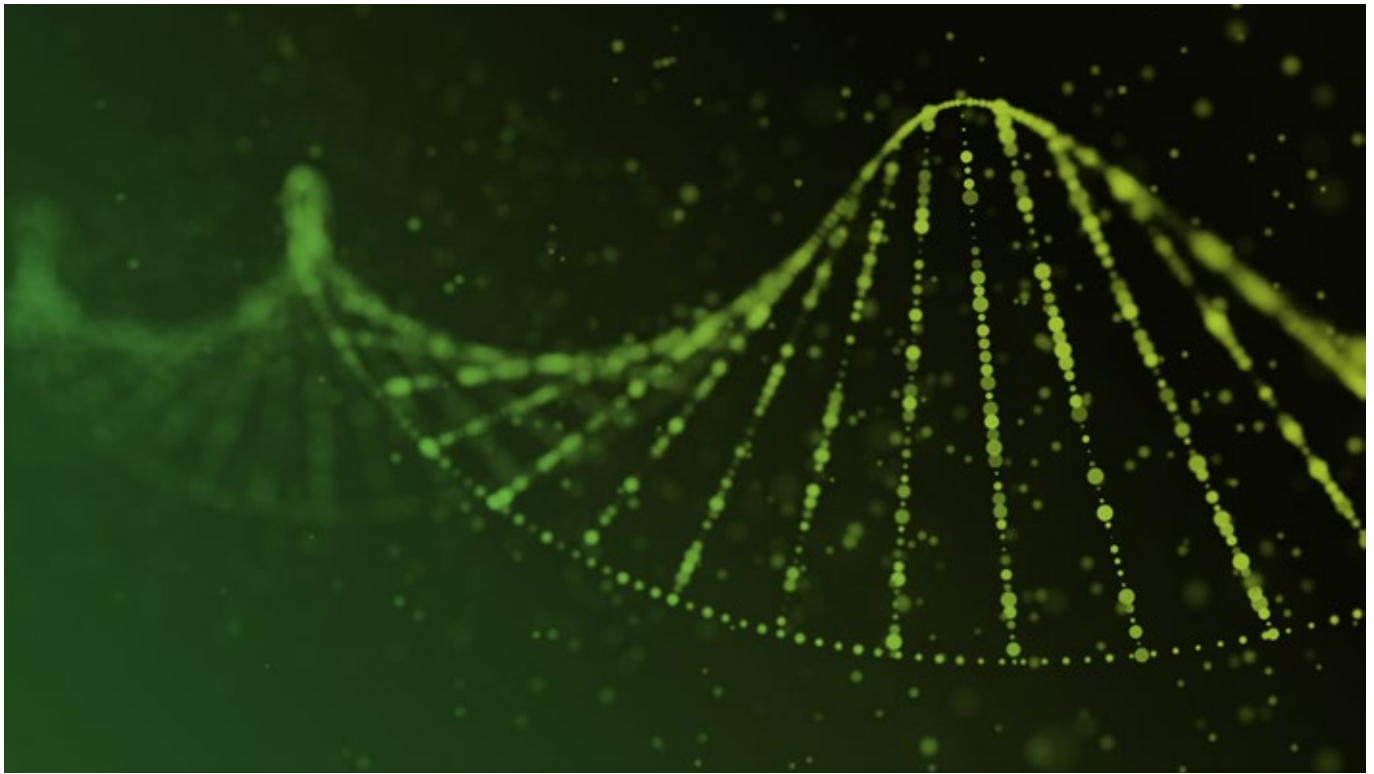
Law No. (35) of 2009 Regarding the Management of the Public Funds of the Government of Dubai, as amended;

Law No. (9) of 2011 Concerning Dubai Healthcare City, (hereinafter referred to as "DHCC");

Law No. (11) of 2013 Regarding Health Insurance in Dubai, (hereinafter referred to as "Law");

Resolution No. (8) of 2015 Concerning the Application of the Health Insurance Law to Health Service Providers Licensed at DHCC;





Have resolved as follows:

Definitions

Article (1)

The terms and phrases mentioned in this Resolution shall have the meaning set against each in the Law.

Charges

Article (2)

The Authority and the DHCC Authority shall collect against the issuance of permits and provision of services designated in Table (1) attached to this Resolution the charges set against each.

Fines

Article (3)

- a. Without prejudice to any severer penalty under any other legislation, any person who commits any of the actions provided for in Table (2) attached to this Resolution and the fine set against each.
- b. The fine mentioned in clause (a) of this Article shall be doubled if the same violation is recommitted within one year from the date of commission of the previous violation, provided that the fine, if doubled, may not exceed Five Hundred Thousand Arab Emirates Dirhams (AED 500,000).
- c. In addition to the fine penalty mentioned in clause (a) of this Article, the Authority and the DHCC Authority, each in its respective competence, may take one or more of the following measures against the violating person:

1. Warning.
2. Suspension from the exercise of health insurance related activities for a period not exceeding two years.
3. Cancellation of license.

Passage of Charges and Fines

Article (4)

The charges and fines which are collected by the Authority under this Resolution shall pass to the account of the treasury of the Government of Dubai, while charges and fines which are collected by DHCC Authority shall pass to its account.

Publication and Going into Effect

Article (5)

This Resolution shall be published in the Official Gazette and go into effect from its date of publication.

Hamdan bin Mohammed bin Rashid Al Maktoum

Crown Prince of Dubai

Chairman of the Executive Council

This Resolution has been issued in Dubai, on 7 March 2016 AD

Corresponding to 27 Jumada I 1437 AH

Table (1)

Charges of Health Insurance

| Ser. | Description | Charges (AED) |
|------|--|--|
| 1 | License application | 1000 |
| 2 | Licensing the insurance company to provide health insurance cards to the beneficiaries whose income exceeds the limit approved by the Authority | 150,000 |
| 3 | Licensing the insurance company to provide health insurance cards to all beneficiaries irrespective of their income | 350,000 |
| 4 | Renewal of insurance company's license | (0.5%) of insurance claims paid for the previous year, provided that charge collection is at least the charge of licensing, as the case may be |
| 5 | Issuance or renewal of license of an insurance broker | 20,000 |
| 6 | Issuance of insurance broker card | 500 per person |
| 7 | Issuance or renewal of license of a claim's management company | 40,000 |
| 8 | Issuance or renewal of license of a health service provider (hospitals) | 10,000 |
| 9 | Issuance or renewal of license of a health service provider (multi-specialty health centres) | 5,000 |
| 10 | Issuance or renewal of license of a health service provider (mono specialty clinics, pharmacies, laboratories, analysis and x-ray centres, and the like) | 1,500 |

Table (2)

Violations and Fines of Health Insurance

| Ser. | Description of Violation | Fine (AED) |
|------|---|---|
| 1 | Practice of any health insurance related activities in the Emirates without or after the expiration of license | 50,000 |
| 2 | Non-compliance by an insurance company with license conditions | 50,000 |
| 3 | Non-compliance by an insurance broker with license conditions | 10,000 |
| 4 | Non-compliance by a claim's management company with license conditions | 10,000 |
| 5 | Non-compliance by a health service provider with license conditions | 5,000 |
| 6 | The employer or sponsor not engaging the persons they are required to engage in health insurance or engaging them below basic coverage at the time set by the government in this concern. | 500 per delay month, and a part of month shall be a month |
| 7 | The employer or sponsor not paying the costs of health services or medical intervention in emergency cases of the persons they are required to engage in health insurance if they do not engage them. | 1000 |

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| 8 | The employer or sponsor not charging the beneficiary all or a part of the cost of engaging them in health insurance | 10,000 per person and the amount paid is recovered from beneficiary |
| 9 | The employer or sponsor not delivering or enabling the beneficiary to get the health insurance card | 1000 per case |
| 10 | The employer or sponsor not submitting the health insurance policy to the beneficiary when issuing or renewing residence or when issuing the visit visa without enabling them to get it. | 1000 per case |
| 11 | The beneficiary not advising the agency responsible for engaging him in health insurance of the loss or damage of his health insurance card within thirty (30) days from the date of loss or damage | 500 |
| 12 | The beneficiary allowing third parties to use his health insurance card or abuse it in any way. | 5,000 |
| 13 | The beneficiary doing any action to get health benefits or financial gains through unlawful means. | 5,000 in addition to payment of cost of financial benefits paid to him |
| 14 | Provision of incorrect information by the insurance company, claims management company, health service provider or insurance broker to get the license. | 50,000 |
| 15 | Provision of incorrect financial information by the insurance company, claims management company, health service provider or insurance broker. | 20,000 per case |
| 16 | The insurance company or claims management company not paying or delaying paying health benefits beyond the date set in the contract concluded between any of them and the health service provider. | 20,000 per case |
| 17 | The insurance company not making two advertisements of cancellation of the license issued to it by the Authority, in two local newspapers in Arabic and English. | 150,000 |
| 18 | The insurance company or claims management company stopping the practice of licensed activity before obtaining the prior consent of the Authority. | 100,000 |
| 19 | The insurance company not paying the charges of health services provided in emergency cases from an unlisted health facility within the network of health service providers within seven (7) business days from the date of their provision. | 5,000 in addition to treatment costs |
| 20 | The insurance company not enabling the beneficiary to get his rights as designated in the health insurance policy. | 50,000 |
| 21 | The insurance company not entering the details of the health insurance policy in the appropriate register for this purpose with the Authority. | 20,000 per each unlisted policy |
| 22 | The insurance company, claims management company or health service provider not abiding by the Authority's approved mechanisms regarding the financial claims of health insurance. | 50,000 per claim |
| 23 | The insurance company not abiding by the Authority's approved health insurance policy form. | 20,000 per policy |
| 24 | The insurance company not abiding by the Authority's approved health insurance policy terms and conditions. | 20,000 per policy |
| 25 | The insurance company refusing without an acceptable excuse to the Authority to issue the health insurance card. | 5,000 per card |


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| 26 | Delaying issuing the health insurance card for the period set by the Authority in this regard without an acceptable excuse. | 500 per card |
| 27 | The insurance company refusing without an acceptable excuse to the Authority to provide the beneficiary with a list of health service providers listed within its network of health service providers and any changes to this list. | 1,000 per beneficiary |
| 28 | Delaying providing the beneficiary with a list of health service providers listed within its network of health service providers for the period set by the Authority without an acceptable excuse. | 500 per beneficiary |
| 29 | The insurance company or claims management company not advising the Authority of any conflict of interest with health service providers, be direct or indirect. | 20,000 |
| 30 | The insurance company or claims management company not advising the Authority of any exploitation, abuse, negligence, omission or breaches committed by the health service provider or any party of the health insurance system. | 5,000 |
| 31 | The insurance company or claims management company not keeping financial and statistical records and reports related to the health benefits provided to the beneficiary during the term determined by the Authority. | 20,000 |
| 32 | The insurance company or claims management company not maintaining health insurance during the term determined by the Authority or not separating these records from other provided activities. | 30,000 |
| 33 | The insurance company, claims management company or health service provider not maintaining the privacy and secrecy of beneficiary's information, including unauthorized disclosure. | 10,000 per case |
| 34 | The insurance company or claims management company not abiding by the controls, rules and mechanism approved by the Authority in relation to hearing and resolving the complaints referred to it. | 3,000 |
| 35 | The insurance company or claims management company not entering the complaints filed before it within seven (7) business days from their filing dates as to ordinary cases and 24 hours as to emergency cases. | 10,000 |
| 36 | The insurance company or claims management company not resolving the complaints filed before it within thirty (30) days from their filing date, unless the Authority decides for reasons elaborated by these companies to extend this indulgence. | 20,000 |
| 37 | The insurance company or claims management company not providing necessary technical and administrative cadre to practice its activity. | 5,000 |
| 38 | The insurance company, claims management company or health service provider not advising the Authority of any change or modification to information or policies based on which the license has been issued, within seven (7) business days from the date of such change or modification. | 20,000 |
| 39 | The insurance company, claims management company or health service provider not using the trade or professional name of any of them in any dealings with third parties. | 20,000 |
| 40 | The insurance company or claims management company refusing, refraining or delaying in approving the provision of any health service to the beneficiary for the submission of which this approval is required without an excuse accepted to the Authority. | 20,000 per case |

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| 41 | The insurance company refraining from issuing a health insurance policy without an excuse acceptable to the Authority. | 50,000 per policy |
| 42 | The insurance company claims management company, insurance broker or health service provider not providing the Authority with any information, data, statistics or documents required or considered necessary to be reviewed during the period determined by the Authority. | 1,000 per delay day |
| 43 | The insurance company, claims management company, health service provider or insurance broker not cooperating with the competent employees of the Authority, including to enable them to review its information and records. | 20,000 |
| 44 | The insurance company or insurance broker not abiding by the Authority's approved rates of health insurance policies. | 10,000 per policy |
| 45 | Provision of health benefits by the health service provider in breach of applicable professional and moral standards, the Authority's approved treatment guides or the policies and procedures about provision of health benefits. | 10,000 |
| 46 | Health service provider not abiding by the Authority's approved rates of health services provided to beneficiaries or by the Authority's approved percentage of beneficiary's participation in these services. | 10,000 per case |
| 47 | The health service provider providing services to beneficiary in breach of the health insurance policy. | 10,000 per case |
| 48 | The health service provider refraining from providing health services to beneficiaries in emergency cases until risk vanishes, even if not within the network of health service providers. | 10,000 per case |
| 49 | The health service provider not maintaining the records and files of beneficiaries according to the rules and periods determined by the Authority. | 10,000 |
| 50 | The health service provider refraining without an acceptable excuse to the Authority from providing the beneficiary, upon his request, with a copy of his medical reports according to his medical file or a copy of his medical file. | 5,000 per case |
| 51 | The health service provider neglecting or abusing the medical records or financial statements related to the health benefits provided to beneficiaries. | 20,000 per case |
| 52 | The health service provider doing any act in violation of the principles of fair competition or deceit of health insurance system or getting unlawful financial gains. | 50,000 |
| 53 | The health service provider not providing the Authority in case of any conflict of interest between it and health service providers, insurance company or claims management company, be direct or indirect. | 20,000 |
| 54 | The health service provider not providing the Authority, insurance company and claims management company with all information, data and documents related to the health benefits provided to the beneficiary within seven (7) business days from the date of their provision. | 1,000 per delay day |
| 55 | The insurance broker not entering its personnel in the register of insurance brokers with the Authority. | 5,000 |
| 56 | The insurance company, claims management company, insurance broker or health service provider not abiding by approved controls, conditions and procedures according to the law, instructions, regulations and resolutions issued by the Authority. | 10,000 |




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