THE GENERAL HEALTH CARE SCHEME

LAW OF 2001

(English translation prepared by the Law Commissioner's Office)

TEN (A) --- L.68

NICOSIA

PRINTED AT THE PRINTING OFFICE OF THE REPUBLIC OF CYPRUS

Price: £2.00
A LAW TO PROVIDE FOR THE INTRODUCTION OF GENERAL HEALTH CARE SCHEME
AND RELATED ISSUES

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The House of Representatives enacts as follows:

1. This Law may be cited as the General Health Care Scheme Law of 2001.

PART I – PRELIMINARIES

2. –(1) For the purposes of this Law, unless the context otherwise requires –
«Advisory Committee» means the committee established under section 15;
«beneficiary» means the person who is entitled to medical treatment in accordance with this Law;
«Board» means the Administrative Board of the Organization;
«Commissioner» means the Supervisory Commissioner who is appointed in accordance with the provisions of Section 42;
«contribution» means contribution payable under this Law;
«Cyprus Medical Board» means the Board constituted by virtue of the Doctors (Associations, Discipline and Pensions Fund) Law;
«Director General» means the Director General of the Organization;
«earnings»:
(a) In relation to an employed person, has the meaning assigned to it by the Social Insurance Law;
(b) In relation to a self-employed person, means the income earned from his gainful employment and in no case this income could be less than the amount on which the contribution is calculated for the purposes of the Social Insurance Law;
(c) In relation to a person who possesses or exercises an office, means the pecuniary remuneration or compensation paid for this office; «employer» includes the Government of the Republic of Cyprus; «employed person» has the meaning assigned to it by the Social Insurance Law;
«family doctor» has the meaning assigned to it by section 22;
«Fund» means the Health Insurance Fund established under section 18;
«general practitioner» has the meaning assigned to it by the Doctors (Special Qualifications) Regulations;
«Government Medical Institution» includes regional hospital, rural and urban health centre;
«income» means the income of every person derived from any source, except earnings or pension, and the term «employment independent» shall be construed accordingly;
«Medical Board» means the Board established under the provisions of section 59;
«Minister» means the Minister of Health;
«Organization» means the Health Insurance Organization established under section 3;
«pension» means pension payable on retirement or death or for any other cause out of any Fund or Scheme of other arrangement provided by a law or collective or individual agreement and the term "pensioner" shall be construed accordingly;
«Republic» means the Republic of Cyprus;
«self-employed» has the meaning assigned to it by the Social Insurance Law;
«services» means the services referred to in section 28;
«specialist doctor» has the meaning assigned to it by the Doctors (Special Qualifications) Regulations;
«supplier» means any natural or legal person who enters into a contract with the Organization for the purposes of providing services and supplies required for the provision of medical care under this Law and includes the Government Health Services.

(2) Unless the context otherwise requires, the terms referred to in this Law shall have the meaning assigned to them by the Medical Registration Law, the Doctors (Associations, Discipline and Pensions Fund) Law and the Regulations issued under these Laws.
PART. II – ESTABLISHMENT AND OBJECTIVES OF THE ORGANIZATION

3. There shall be established an Organization called «Organization of Health Insurance» constituting a body corporate with perpetual succession and common seal and with powers to acquire, hold and dispose of property, to enter into contract, sue and to be sued in its said name and to do everything necessary for the purposes of this Law.

4.—(1) The objective of the Organization is the implementation of the General Health Care Scheme under the provisions of this Law.

(2) Subject to the provisions of this Law, the Organization has powers to–
(a) Administer the Fund established under the provisions of this Law;
(b) Make the necessary arrangements to secure for the beneficiaries the medical care provided by the Law;
(c) Enter into agreement with suppliers of medical care who fulfill the relevant conditions and specifications;
(d) Carry out annual actuarial reviews on the financial condition of the Fund in relation with its obligations arising from the implementation of this Law;
(e) Dispose of monies of the Fund for purposes of research, documentation, further education and training for the better operation and efficiency of the Scheme;
(f) Provide incentives and scholarships for postgraduate studies on specialized issues which the Organization considers necessary and worthwhile;
(g) Dispose of a specified amount of money not exceeding 5% of the annual budget for the administration of the Organization, unless this percentage is increased after a decision taken by the Council of Ministers;
(h) Keep records; (i) Take any other action or deed which is relative with the above competencies.

5.—(1) The Organization is managed and acts through an Administrative Board which manages the property and the resources of the Organization and represents the Organization before any authority.

(2) The Board consists of --
(a) A Chairman;
(b) Two ex officio members;
(c) Eight members appointed as follows–
(i) Two members representing the Government of the Republic and at least one of them has academic postgraduate qualifications in public health, as well as considerable experience;
(ii) Two members representing the Employers' Organizations;
(iii) Three members representing the Trade Unions Organizations;
(iv) One member representing the self-employed persons.

(3) The Chairman and the appointed members are appointed by the Council of Ministers on the conditions specified by an order of the Council of Ministers:
Provided that the previous unanimous decision of the majority of the members of the House of Representatives is required for the appointment of the Chairman.
(4) The Chairman of the Board is an independent person who has no direct interests in the provision of medical care and, subject to the provisions of section 7, his term of office is for a period of five years.

(5) The two ex-officio members are—
(a) The Director General of the Ministry of Health;
(b) The Director General of the Ministry of Finance.

(6) The term of office of the appointed members referred to in paragraph (c) of subsection (2) shall be for a period of five years, but shall be eligible for reappointment. On the appointment of the initial members of the Board, a member from each side is appointed for a period of three years but may be eligible for reappointment.

(7) The appointment of the members referred to in subparagraph (ii) of paragraph (c) of subsection (2) is made upon the recommendation of the Minister on the basis of a list of persons submitted to him by the employers' organizations.

(8) The appointment of the members referred to in subparagraph (iii) of paragraph (c) of subsection (2) is made upon the recommendation by the Minister on the basis of a list of persons submitted to him by the Trade Unions' Organizations.

(9) Present in the meetings of the Board are the Director General or his representative and any other official of the Organization or a person asked by the Board to express his opinion on any issue.

(10) In case of impediment or absence of the Chairman, the Director General of the Ministry of Health acts in his place.

(11)(a) The duties of the Chairman are defined by the Board.

(b) The Board may delegate some of its powers to the Chairman.

6. The Chairman and the appointed members of the Board receive a remuneration, compensation or allowance, as this is approved by the Council of Ministers.

7. (1) The term of office of the Chairman and the appointed members of the Board can be terminated at any time by the Council of Ministers if they are convicted for an offence which involves moral turpitude or dishonesty,

(2) The Chairman and the appointed members of the Board may at any time resign giving notice in writing to the Council of Ministers.

(3) In the case where an appointed member of the Board is unable to perform his duties due to sickness or temporary absence abroad, the Council of Ministers may, following the procedures described in this section, appoint temporarily a member of the Board during such sickness or absence.

(4) The Council of Ministers may appoint temporary Chairman of the Board if the Chairman is unable to perform his duties for any reason of temporary nature.

(5) The Council of Ministers appoints deputies of the ex-officio members of the Board.

(6) In the case where any of the ex-officio members is for any reason unable to perform its duties, the Council of Ministers may appoint a deputy as temporary member of the Board.
(7) In the case where the post of the Chairman or of any member of the Board is vacant, the Council of Ministers may proceed with the appointment of a new Chairman or new member for the remaining period of their term of office.

(8) The Board may act notwithstanding the vacancy of the post of the Chairman or any member of the Board and in spite of the existence of any defect in the appointment of the Chairman or of any member of the Council.

8.—(1) A person who is a supplier or has any interest, connected with the provision of services or supplies provided by this Law, cannot be appointed or continue to be the Chairman or member of the Board.

(2)(a) In the case where the Chairman or the member of the Board has direct or indirect interest in an agreement concluded or to be concluded by the Organization for the purposes of this Law, is bound to disclose the nature of such an interest before a meeting of the Board and thereafter he cannot participate in the discussions or in the taking of a decision by the Board in connection with this agreement.

(b) The notice of interest is recorded in the minutes.

(3) For the purposes of subsection (2), if in a meeting of the Board the Chairman or the member makes a general statement that he holds shares in a particular company or organization, this is considered sufficient notice of interest in connection with any agreement concluded with the said company or organization after the date on which the general statement was made.

(4) The notice of the interest according to the provisions of subsection (2) is not necessary to be made personally by the Chairman or by the member who has the interest, provided that the said statement comes to the knowledge of all the members of the Board.

9.—(1) The Chairman together with six members or, in the case of absence of the Chairman, the Director General of the Ministry of Health together with eight members shall form a quorum.

(2) The Chairman or the acting chairman shall in addition to his own vote have a casting vote when the votes of the members are equally divided.

10. The organization may with a written decision of the Board, authorize the Chairman or anyone of its members to exercise any jurisdiction or power or execute any act, and sign on behalf of the Organization and seal every agreement, document or act.

11.—(1) Subject to the provisions of this Law, the Board may make internal rules governing the proceedings for the convening of the meetings.

(2) Without prejudice to the generality of subsection (1), the Board may regulate any issue regarding –

(a) The convening of the meeting;
(b) The manner and time of serving the notification for convening a meeting;
(c) The procedure followed in the meeting;
(d) The keeping of minutes.

PART III – STAFF OF THE ORGANIZATION

12.—(1) The Administrative Board appoints the Director General and any other officer or employee of the Organization the appointment of whom is considered necessary for the purposes of this Law.
(2) The appointment of the Director General and other employees of the Organization is made under a rolling contract unless the Administrative Board decides otherwise.

(3) The employees appointed under this section shall be under the administrative control of the Board.

(4) The Board may at its discretion authorize the Chairman or a member or an official of the Organization to exercise any administrative duties referred to in subsection (2) of section 4.

(5) The duties, powers and obligations of the Director General and of the other employees shall be prescribed by regulations specified in the respective contracts.

13. The Chairman and the members of the Board, the Director General and the employees of the Organization are considered as civil servants within the meaning of the Criminal Code.

PART IV – ESTABLISHMENT OF COMMITTEES

14.- (1) The Board may, for the purposes of implementing the provisions of this Law, proceed with the establishment of specialized bodies and committees, in order to assist and advise the Board in the exercise of its powers.

(2) Without prejudice to the generality of subsection (1), the Board shall proceed with the establishment of Scientific Drug Committees, Medical Devices Committees, Supplies Committees or other Committees within three months from the day of entering into force of this Law.
(3) The Board shall make Regulations governing the duties and the operation of the committees and bodies established under this section.

15.-(1) The Board proceeds with the establishment of an Advisory Committee, the members of which represent the interests of the various contributors and beneficiaries, aiming at advising and informing the Board on any matter connected with the rights and obligations of the beneficiaries.

(2) The establishment and operation of the Advisory Committee and any other matter relevant to the implementation of this section are regulated by Regulations made by the Council of Ministers.

PART V – BENEFICIARIES

16.—(1) The following persons shall be entitled under this Law to medical treatment

(a) Every citizen of the Republic who has its permanent residence in Cyprus.

(b) Every dependent person of the beneficiary provided under paragraph (a).

(c) Every person who is a contributor and has his permanent residence in Cyprus or he is a contributor legally employed in Cyprus.

(d) The dependants of persons mentioned under paragraph (c) provided that they are permanent residents of Cyprus for a certain period of time, which shall be prescribed by Regulations.

(2) For the purposes of subsection (1) «dependent person» means--

(a) The husband;

(b) (i) Unmarried child under the age of eighteen years;

(ii) Female unmarried child under the age of twenty three years or male unmarried child under the age of twenty five years, who is receiving full time education;

(iii) Child who has a bodily or mental incapacity rendering him, incapable of self-support, and he is dependent to his parents or to one of the parents;

(iv) Child who is doing his military service under the National Guard Laws.
(3) For the purposes of this section, persons residing in Cyprus for at least three consecutive years with a total residence exceeding one hundred and fifty days in each year they are considered to have permanent residence in Cyprus.

17. The Board may, if it considers it just and proper, cover any other case upon the submission of a relevant application.

**PART VI – HEALTH INSURANCE SCHEME**

18.--(1) For the purposes of implementing this Law there shall be established a Health Care Insurance Fund.

(2) The sources of the Fund are--

(a) The contributions prescribed under section 19;

(b) Donations and legacies;

(c) Income from assets of the Organization;

(d) Any other income accrued from the activities of the Organization.

(3) The Board may invest monies forming part of the Fund in investments approved by the Minister of Finance taking into consideration that these monies are not required by the Fund to meet its obligations.

19. Obligation for the payment of contributions under this Law has (a) Every employed person 2% on the total of his earnings; (b) Every employer 2.55% on the total earnings of every person employed by him;

(c) Every self-employed 3.55% of his total income;

(d) Every pensioner 2% on the amount of his pension:

Provided that for the pensioners of the Social Insurance Fund, whose pension does not exceed the monthly amount of three hundred pounds, this contribution will be paid out of the General Revenue of the Republic. In the case where the amount of pension exceeds three hundred pounds but is less than five hundred pounds, the pensioner shall pay a contribution at the rate of 2% for every pound exceeding the three hundred pounds and up to five hundred pounds. In the case where the amount of pension exceeds five hundred pounds the pensioner shall pay a contribution of 2% on the total amount of his pension

(e) Every person who possesses or exercises an office 2% on the total of his earnings;

(f) Every person with employment independent income 2% of his income; (g) The General Revenue of the Republic 4.55% on the earnings and the pensions of persons referred to under paragraphs (a), (c) and (d) above.

20.- (1) Subject to the provisions of this Law, responsible for the collection of the contributions referred to in paragraphs (a) to (c) of section 19 is the Director of the Department of Social Insurance, who for this purpose, is considered to have mutatis-mutandis every power, jurisdiction or obligation which he has under the Social Insurance Law.

(2) The verification, payment, collection and the deduction of the contributions referred to in subsection (1) is effected in accordance with the corresponding provisions of the Social Insurance Law which regulate the verification, payment, collection and deduction of the contributions payable to the Social Insurance Fund.
(3)(a) Notwithstanding the provisions of subsections (1) and (2), the contributions payable by the employed persons, who are employed by the Republic and the respective contributions of the Republic as an employer are paid directly to the Fund.

(b) The same applies as well for the contribution payable by the General Revenue of the Republic in accordance with paragraphs (b), (d) and (g) of Section 19.

(4) Every person or organization or fund which awards any kind of pension is liable to deduct the contribution referred to in paragraph (d) of section 19 from the amount of pension of every pensioner and deposit same to the Fund in the manner and time decided by the Board.

(5)(a) The contributions payable in accordance with paragraphs (e) and (f) of section 19, as well as the contributions of every self-employed person for an income exceeding that for which he pays contributions to the Social Insurance Fund are collected by the Director of the Income Tax Department.

(b) The provisions of the Income Tax Law and the Verification of Collection of Income Tax Law shall also be applied, mutatis mutandis, in the cases of persons who are liable to pay the contributions referred to in this sub-section.

58 of 1961
4 of 1963
60 of 1969
47 of 1973
37 of 1975
12 of 1976
15 of 1977
8 of 1979
40 of 1979
24 of 1981
41 of 1983
33 of 1984
76 of 1984
14 of 1985
73 of 1985
180 of 1986
163 of 1987
26 of 1988
109 of 1988
133 of 1988
173 of 1988
231 of 1988
14 of 1989
39 of 1989
101 of 1939
137 of 1989
77 of 1990
225 of 1990
226 of 1990
245 of 1990
58 of 1991
174 of 1991
45(I) of 1992
115(I) of 1992
38(I) of 1993
103(I) of 1994
103(I) of 1995
5(I) of 1996
70(I) of 1997
81(I) of 1997
95(I) of 1997
61(I) of 1998
49(I) of 1999
50(I) of 1999
56(I) of 1999
145(I) of 1999
155(I) of 1999
162(I) of 1999
67(I) of 2000
76(I) of 2000.
Any person who pays dividends or interests to any is bound to deduct the contributions referred to in paragraph (f) of Section 19 from any payment of dividend or interest and deposit same to the Director of the Department of Income Tax.

The contributions collected by the Director of the Social Insurance Department and by the Director of the Income Tax Department are deposited to the Fund as this is agreed between the Accountant General of the Republic and the Board.

The amount, which the Minister of Finance calculates as representing, the expenses necessitated for the collection of the contributions referred to in subsections (1) and (5) are deposited by the Fund to the General Revenue of the Republic.

Voluntary insurance.

21.- (1) Subject to the provisions of this Law, exempted persons shall have the right to become members of the Health Care Scheme on a voluntary basis, under conditions agreed with the Organization.

(2) The provisions of subsection (1) shall be applied as and when the Organization announces the application of a special system for voluntary insurance, in which the rate of contribution, the conditions and the provision of services may differ from the conditions of contribution and from the provision of services under the General Health Care Scheme.

(3) The Organization is not obliged to conclude any agreement according to this section, even if all the prerequisites for the submission of the relevant application are satisfied.

(4) The provisions of this section may also cover groups of persons exceeding a specified number under more favorable conditions.

(5) The application of this section shall be regulated by Regulations.

PART VII – ORGANIZATION OF THE PROVISION OF MEDICAL CARE

Classification of doctors.

22.- (1) For the purposes of this Law, the doctors are classified into the following two categories:

(a) The first category includes the doctors referred to in subsection (2), who provide services of general practice.

(b) The second category includes the doctors who provide specialized health care.

(2) The doctors classified in the first category under sub-section (1) are general practitioners or doctors of other specialty, who are chosen by the beneficiary under section 26.

Contracts for the provision of general practice.

23.- (1) For the purposes of providing general practice the Organization enters into a contract only

(a) With private doctors who--

(i) Have special training in general medical practice, and

(ii) Have registered in their list the prescribed number of beneficiaries, and

(b) With government health services that provide general medical services.
(2) In the cases where there is no sufficient number of doctors having the training referred to in subsection (1), the Organization in co-operation with the Ministry of Health organizes training courses or postgraduate studies for a specialized training in general medicine.

(3) The decision of the Organization to enter into a contract with a doctor for the purposes of this section is based, among other things, on the following criteria:

(a) Adequacy and satisfactory condition of the waiting rooms and the rooms available for the examination of patients, the spaces for administration purposes, storage, recording and tracing of the information;

(b) adequacy and satisfactory condition of the necessary equipment and installations.

(4) (a) The Organization in cooperation with the Ministry of Health and the Pancyprian Medical Association may define standards of spaces for the installation and equipment referred to in subsection (3).

(b) These standards shall be published by a notification in the Official Gazette of the Republic.

(5) For the purposes of subsection (1), "prescribed number of beneficiaries" which from time to time is defined by the Organization is, subject to the provisions of subsection (7), the minimum number of beneficiaries which every family doctor should have on his list and which in no case should be less than three hundred beneficiaries in the first three years and over five hundred after the first three years.

(6) The number of beneficiaries, which a family doctor may register in his list, cannot exceed the two thousand and five hundred.

(7) The Board may by regulations provide for geographical restrictions in the registration of beneficiaries in the lists of the family doctors.

24.--(1) Before the commencement of the provision of health care services, the Ministry in cooperation with the Organization shall prepare postgraduate programmes for training in the general medicine.

(2) The family doctors are obliged to attend training seminars, organized by the Ministry of Health or by the Organization.

25.--(1) The contract conditions for the suppliers may be defined in general or special forms of contract prepared by the Organization.

(2) The forms referred to in subsection (1) must not contain conditions which are against the provisions of this Law or the Regulations made under this Law and they are null and void in the extent they are against the Law and the Regulations.

26.--(1) All the doctors who enter into a contract with the organization in order to provide primary medical care keep lists, in which they record the beneficiaries to whom they provide primary medical care.

(2)(a) Subject to the provisions of section 23, the beneficiary is registered in the list of the family doctor of his own choice.

(b) With the registration of the beneficiary in the list of the family doctor the provision to him of the services provided by this law shall become possible.

(3) A beneficiary under the age of fifteen years is entitled to register himself in the list of a pediatrician or in the list of a family doctor of his parent or guardian's choice.
(4) Subject to the provisions of subsection (2) of section 27, the family doctors who enter into a contract with the Organization provide indiscriminately primary medical care to all the beneficiaries who are registered in their list.

(5) The family doctor is obliged to attend the beneficiary on a twenty-four hours basis, as this is prescribed by Regulations.

27.--(1) The beneficiaries have the right to change the doctor of their choice once in every six months in accordance with the Regulations made by the Organization, in which a provision may be included for increase of the time-limit from six months to one year.

(2) In the cases where the doctor refuses to register the beneficiary in his list, the said beneficiary may submit an application to the Organization for the revision of the doctor’s decision.

(3)(a) In every case where the doctor wishes to erase a beneficiary from his list against his will, the beneficiary may file a complaint to the Organization.

(b) The Organization, until the registration of the beneficiary is settled, entrusts the personal medical care of the beneficiary to another doctor, who is obliged to register the beneficiary in his list with reservation or without reservation.

(c) In the cases where the beneficiary is registered with reservation, the doctor is obliged to submit to the Organization the reasons for the revision of its decision.

(4) (a) In the cases where the beneficiary faces problems in registering himself in the doctor’s list or the doctor wishes to transfer the beneficiary from his list, the beneficiary may submit a complaint to the Organization, and thereafter the Organization appoints a family doctor who, compulsorily, registers the beneficiary in his list.

(b) The said family doctor has the right to apply for a review of the Organization’s decision.

28.--(1) The provided medical care includes--

(a) Health Care treatment by family doctors providing services of general medicine and by specialist doctors providing services of specialized care both to outpatients and inpatients alike;

(b) The necessary diagnostic and other laboratory investigations;

(c) The administration of the necessary medicines and pharmaceutical products based on prescription issued by a doctor who is a contracting party with the Organization, and provided the above medicines are included in the drug list approved by the organization;

(d) Treatment offered by a person being in practice legally recognized as relative to the medical profession being under the supervision of a doctor or other qualified professional;

(e) Medical attendance in a hospital, which has entered into a contract with the Organization;

(f) Preventive dental treatment to beneficiaries up to the age of fifteen years, as prescribed by Regulations made by the Organization;

(g) Medical restoration, including the supply, maintenance and renewal of prosthetic and orthopedic items, as prescribed by Regulations made by the Organization;

(i) Home medical visits by the family doctors, as defined in the Regulations made by the Organization;
(j) Transport of the patient in case this is necessitated by the condition of his health.

(2) The Organization does not cover the chronic inpatient psychiatric or compulsory care, which is provided under the existing legislation.

(3) Notwithstanding the provisions of this Law, the Board may upon the opinion of the Medical Board, refuse provision of services, if their success is doubtful or the expenditure is very high, endangering the viability of the general health care scheme.

29.- (1) Specialized medical care is provided only when the patient is referred by a family doctor.

(2) Irrespective of the provisions of subsection (1), the referral condition is not required in the cases of accidents and urgent cases, as well as in cases defined by the Organization after consultations with the Pancyprian Medical Association and the Pancyprian Dental Association.

(3) The family doctor acknowledged by the Medical Board, as specialist shall compulsorily provide to every beneficiary registered in his list the services of his specialty and he is not entitled to refer the patient to another doctor of the same specialty.

30. The specialist doctors who enter into a contract with the Organization are obliged to keep for every patient records relating to the course of treatment provided and other relevant particulars as this is prescribed by Regulations.

31.- (1) No referral to a specialist by a family doctor is allowed in order to cover up visits made directly by the patient to the specialist doctor prior to the referral date.

(2) Any referrals made contrary to the provisions of subsection (1) are not covered by the Organization and the family doctor involved in such referral commits an offence, and without prejudice to the right of the Organization, if it considers it necessary, may terminate the family doctor's contract or suspend its validity for a certain period of time.

32.- (1)(a) Medical care, which can not be provided in Cyprus or the supply of such care is not sufficient to cover the needs of the patients, may be provided abroad in medical centers with which the Organization contracts with.

(b) For this purpose the Organization may, if it considers necessary, proceed with the preparation of a list of services and supplies provided by the Organization in accordance with this section.

(2) For the purposes of subsection (1), the Board may proceed to establish a special account of the Fund in which any possible government grants and donations are deposited for the purposes of strengthening financially the, Fund in general or assisting a person or persons specifically named or for any specified special purpose.

33. The beneficiaries entitled to dental care shall have free access to a dentist of their parents' or guardians' choice, provided that the dentist has already, entered into a contract with the Organization and he is authorized to provide dental care, covered under this Law.

34.- (1) The Organization follows up and controls the efficiency and activities of the suppliers in any way it considers necessary and effective.

(2) Without prejudice to the generality of subsection (1), the Organization controls the efficiency and the activities of the suppliers
(a) By controlling the issue of prescriptions and referrals using information with the help of computers or with any other way;

(b) By controlling the level of maintaining the clinical protocols, which are defined by the Organization in collaboration with the competent medical associations and the Pancyprian Medical Association;

(c) By inspecting the records of patients and by on site visits;

(d) By following up and checking the size of the list and the response to the calls of patients after the normal working hours.

35.--(1) The Organization enters into contracts for the purchase of services with government and private clinics hospitals, provided that they satisfy the minimum clinical standards defined by the Organization and the Ministry of Health.

(2) The Organization may require all the hospitals under contract to submit reports on medical treatments in the form provided by the Organization together with their claims for the payment of fees for services tendered.

(3) (a) The reimbursement of the medical interventions shall be defined by an agreement between the Organization and the suppliers.

(b) For this purpose, various methods of reimbursement may be used, such as reimbursement by medical transaction or reimbursement by diagnostic related groups (DRGS) or other methods decided by the Organization in cooperation with the suppliers.

36.--(1) All visits to the family doctor and, subject to the provisions of subsection (3), all medicines prescribed by the doctor are covered by the Organization.

(2) The reimbursement of the family doctors is calculated as follows:

(a) Annual fee per registered beneficiary, fixed by the Organization that shall not be less than 75% of the total reimbursement of the family doctor; (b) An additional reimbursement fixed by the Organization, taking into account the years of medical exercise, the qualifications, the efficiency of the doctors and the age composition of the registered beneficiaries, as well as other parameters prescribed by the Organization.

(3) The family doctors art not entitled to demand or recover charges from patients registered in there own list or in the list of their partner or other associate.

37.--(1) Specialist doctors, who enter into a contract with the Organization, are compensated for outpatient services in accordance with the conditions and prices defined by the Organization, after consultations with the Pancyprian Medical Association.

(2) No fee or other reimbursement is paid to a family doctor of other specialty as referred to in subsection (2) of section 22, for services provided to a beneficiary registered in the list of the said doctor, being over and above the fees and reimbursement provided in section 36, except for prescribed specialized services.

38. The dentists, pharmacists, clinical laboratories and other suppliers who enter into a contract with the Organization are compensated in accordance with the conditions and prices defined by the Organization, after consultations with the respective competent scientific associations.
39.--(1) The Organization may, in exceptional cases purchase pharmaceutical and other medical products, including prosthetic and implants in such quantities as this is considered necessary taking into account the Organization's and the beneficiaries' interests.

(2) The Organization--

(a) Pays only for those drugs and products which satisfy the organization and which are approved as suitable and of proven quality; and

(b) Prepares every year a list of the above drugs and products.

(3)(a) The Board appoints a committee responsible to make out, supplement and update the drug list and products, and submits same to the Board for approval.

(b) The Committee consists of representatives of doctors, pharmacists and the Organization.

(4) The Organization with the approval of the Minister, published in the Official Gazette of the Republic, may partially cover the expenditure of the drugs provided and fix co-payments, provided that this amount does not exceed 10% of the drug cost or a prescribed amount per drug.

40.--(1) The services for accidents and emergency cases are provided only by specialized hospitals contracted with the organization satisfying predefined levels by the Board.

(2) The patients whose treatment is not necessary in the accidents and/or emergency departments are referred to the family doctors for the provision of primary medical care.

41. Notwithstanding the provisions set out in this section, the organization may refuse to enter into a contract with any person who is offered to provide services under this Law, if, in the judgment of the Board, the services offered by the suppliers do not satisfy the needs of the beneficiaries.

PART VIII – SUPERVISORY COMMISSIONER

42.- (1) A Supervisory Commissioner shall be appointed by the Council of Ministers upon the recommendation of the Minister, for the purposes of discharging the duties and powers referred to in section 43.

(2) The Commissioner possesses academic qualifications of at least postgraduate level, in the branch of Law, medicine or economics and with at least seven years experience in his field.

(3) The Commissioner is appointed for a period of six years, with the right of reappointment and serves under the conditions set out in the relevant instrument of appointment of the Council of Ministers.

(4) The Commissioner is an independent official, answerable only to the Council of Ministers, to which he submits annual reports relevant to his work.

(5) No person is appointed as Commissioner who has any direct or indirect interest with a supplier or who is a member in any body or organization established or to be established under this or any other Law relative with the general health care scheme.

(6) No person is appointed as Commissioner who has completed the age of sixty years.

(7) The Board appoints the required staff to assist the Commissioner in the discharge of his duties.
43. The Commissioner may proceed with the investigation of a complaint or allegation in relation to--

(a) Any failure in offering a service provided by the organization or under this Law; or

(b) Any failure in providing a service falling within the obligations of the Organization; or

(c) Any other action taken by or on behalf of the Organization.

44. With the exception of the cases allowed referred to in this section, the Commissioner does not carry out investigation for an act in connection with which the complainant has or had--

(a) Right of appeal, recourse or review to or from an authority established under the law,

(b) Remedy in accordance with any legal proceedings before the Court, the Commissioner, however, may proceed in the investigation of a complaint in spite of the fact that the complainant had or has remedy right, as mentioned above, if he is satisfied that under the circumstances of the case it would not be reasonable to be expected by the complainant to have a recourse or would have had a recourse for the said right or remedy, taking into account the nature of the complaint and the necessity for its immediate investigation.

45.- (1) A complaint, under this Law, is submitted by a physical or legal person who is not a government department or service or local authority or legal person of public law or body established for purposes of the public service or other body or organization the sources of which are provided or supplemented by government grants.

(2) A complaint may be submitted--

(a) By the personal representatives of the complainant who died before submitting the complaint,

(b) By the administrator of the property of an invalid person,

(c) By the guardian of a minor,

(d) By the next of kin of a person who due to any disease or illness is not in a position to administer his property and his business where the complaint relates to a failure, or action taken place before the complainant became incapable.

(3) Subject to the provisions of subsection (2), the Commissioner proceeds with the investigation of the complaint only in the cases where the complainant is the person who has been affected directly by the act or failure in respect of which the complaint is submitted.

(4) For the purposes of this section «incapacitated person» has the meaning assigned to it by the Administration of the Property of incapacitated Persons Law of 1996 and «administrator of the property of an incapacitated person» means the administrator who is appointed under the above Law and «personal» representative» has the meaning assigned to it by the Administration of Successions Law.

46.- (1) The Commissioner, prior to investigating the complaint, must be assured that the complaint was made first to the person or to the body against whom it is directed and that every reasonable opportunity was given to him to investigate and respond to the complaint.
(2) No complaint is investigated, under this Part, unless the complaint is put down in writing by or on behalf of the complainant, addressed to the Commissioner and the act in relation to which the complaint is submitted has not taken place at a time exceeding twelve months from the day on which the complainant had for the first time, knowledge, unless the Commissioner considers reasonable to proceed with the investigation of the complaint relating to the act which came to the knowledge of the complainant at a period of time exceeding the aforesaid period of twelve months.

(3) The commencement, continuation or suspension of the investigation of a complaint is decided by the Commissioner, at his own discretion, but he must give reasons in writing of his decision, if this is requested by the complainant.

47.-(1) In every case under investigation, in accordance with this Part, the Commissioner communicates a report on the outcome of the investigation to-

(a) The complainant;
(b) The person or body against whom the complaint was made;
(c) The person who according to the allegation, authorized the act for which the complaint was made;
(d) The Organization;
(e) Any other person or body who, at the discretion of the Commissioner, is affected by the outcome of the investigation.

(2) In the case where the Commissioner decides not to proceed with the investigation of the complaint he communicates to the complainant and to the person or body affected by the investigation the reasons of his decision.

(3) The communications referred to in this section are considered in legal proceedings for defamation, absolutely privileged publications in addition to those enumerated in section 20 of the Civil Wrongs Law.

PART IX – FINANCIAL PROVISIONS

48.--(1) (a) The Organization, until the 31st October of each year, submits through the Minister to the Council of Ministers for approval the budget of income and expenditure of the next year.

(b) The budget is prepared on the basis of details defined by the Minister.

(2) If in any financial year the amount of the actual expenditure for any service exceeds the estimated amount for the said service, which was preagreed in the global budget, then the respective fees are reduced accordingly, so that the actual expenditure be confined to the limits of the approved amount.

(3) In emergencies, such as epidemics, earthquakes, floods, conflicts, war acts, and other similar events, the government undertakes the additional expenditure, so that the Organization maintains its viability.

For the purposes of this section «global budget» means the amount of the aforesaid expenditure, which was agreed between the Organization and the suppliers, to be spent in the next year.
49. The Organization keeps accurate accounts--
(a) Of the collected and paid amounts of monies to the Organization and the items in connection with which the expenditure of payment was made;
(b) The constituent parts of the assets and liabilities of the Organization, which are prepared, so that they show separately the fixed or the capital assets of the Organization and the amounts borrowed or the amounts owed for loans or advances.

50.- (1) The Organization, immediately after the end of the financial year, draws up a detailed account of income and expenditure of the annual results for the last financial year, as well as the balance sheet on the 31st December and submits same for account checking by the General Auditor of the Republic not later than the 31st May.
(2) The Organization submits through the Minister to the Council of Ministers the audited accounts and the balance sheet of the last financial year until the 30th September.
(3) The audited accounts together with the report of the Auditor General of the Republic shall be published in the Official Gazette of the Republic

51.- (1) The accounts of the Organization are audited annually by the Auditor General of the Republic.
(2) The Auditor General of the Republic may invite any member of the Board or employee of the Organization to furnish information or give explanation or to produce any book, contract, agreement, account, invoice, or other document necessary for the audit.

52. The Organization is exempted--
(a) From the payment of any fees, duties, or VAT, payable in accordance with the existing legislation, on every item or material of any nature, including appliances, vehicles, instruments, tools and equipment, imported for exclusive use of the Organization and not intended for sale to the general public;
(b) From the payment of any stamp fees payable under the existing stamp fees legislation.

53.- (1) At the end of each year promptly and in any case not later than the 30th June, the Organization is liable to submit to the Minister an annual report relating to the exercise of his powers during the last year, as well as its policy exercised and the programme implemented by the Organization.
(2) The annual report shall include copies of the audited accounts and the report of the Auditor General of the Republic.
(3) After the submission of the annual report of the Organization to the Minister copy of it shall be deposited with the House of Representatives for information.

PART X – MISCELLANEOUS PROVISIONS

54.- (1) (a) The personal data and the information kept by the organization are confidential and their disclosure by any official, officer or employee of the Organization is not allowed.
(b) In these cases the regulations applied for the medical etiquette are also applicable.
(2) The Director General may, for the purposes of public interest, permit disclosure of personal details and information to government departments or services, to organizations of public utility for limited use after he is convinced that the safety of these particulars and information to unauthorized persons is secured.
(3) The permission of the Director General is granted, after the affected person is informed, and to whom a reasonable opportunity must be given, in order to express his view.

55-(1) The automated keeping and processing of personal information may be done by Regulations which should be based on the provisions of the European Convention for the Protection of Individual Data with regard to Automatic Processing of Personal data of 1981

(2) For the purposes of this section –

«automatic processing of data» means that which is performed wholly or partially in an automatic way;

«processing of information» means the systematic collection, insertion, correlation, amendment, deletion and transmission of personal information with the application or without the application of electronic means as well as the use of mathematical methods for the extraction of conclusions out of this information;

«personal information» means that referring to a particular physical person or to physical persons and which can be defined individually.

56-(1) The services and supplies provided by the Organization shall be covered by insurance against negligence observed in the course of the provision of services and supplies.

(2) The insurance coverage referred to in subsection (1) is provided to a supplier of the Organization by an independent institution or organization.

57.- (1) The Organization may provide incentives for the establishment and operation of partnerships for the provision of primary medical care.

(2) The incentives include subsidy for the construction or acquisition of buildings and technical medical equipment and contribution to the expenditure for the employment of paramedical personnel.

58.- (1) (a) Family doctors may proceed in setting up partnership with another doctor or other doctors, provided, that all the associated doctors are recognized by the Organization as suitable to enter into a contract.

(b) In the case where the Organization terminates the collaboration with a doctor, then the partnership agreement may be readjusted or revised.

(c) In the cases where there is a hiring service agreement between the family doctor and the Organization, this agreement may automatically be revised or terminated, if the Organization terminates the contract with the doctor on legal grounds.

(2)(a) The family doctor or the medical center provides twenty four hours service, including home visits, where this is necessary for those registered in the respective list and are in need of urgent primary medical care.

(b) The list of emergency cases is prepared in cooperation with the Pancyprian Medical Association.

(3) The family doctors, after the approval of the Board may, if they so wish, reimburse other doctors for substitute services, for the purposes of covering of night shifts, vacations, or for any other reason.
(4) For the purpose of this section «substitute service» means the temporary replacement of a family doctor with another doctor.

(5) This Law does not prohibit the setting-up of partnerships or other kinds of services with the purpose of providing substitute service, as referred to in the above subsection.

59. A Medical Board shall be established for the purpose to perform the operations which the Administrative Board prescribes with regulations, including the following:

(a) To decide in connection with the necessity of sponsoring patients abroad for treatment,

(b) To ensure the continuous treatment and supervision of patients before, during and after their sponsoring abroad,

(c) To decide on the advisability for the provision of expensive or doubtful effectiveness treatment or operation,

(d) To decide for the supply and provision of expensive drugs or drugs of limited or doubtful effectiveness.

60.-(1) A Medical Audit Committee shall be established for the purpose of securing high standard of medical care and the taking of suitable measures in relation to particular cases for not exercising reasonable skill or attention on behalf of the supplier.

(2) In the Medical Audit Committee shall participate, taking into consideration every issue under examination, representatives of the respective medical society.

61.-(1) Any person who willfully makes a false or inaccurate statement for the purpose of being registered in the list of a family doctor is guilty of an offense punishable with a fine of five hundred pounds.

(2)(a) In the cases where a person willfully makes a false or incorrect statement for the purpose of registering himself in the list of a family doctor, resulting in a successful registration which otherwise would have not been materialized on the basis of true or accurate facts, shall be guilty of an offence and shall on conviction be liable to imprisonment for a period of two years or to a fine of two thousand pounds or to both such penalties.

(b) In case of conviction, the registration is considered null and void and the value of every service provided to this person, in accordance with the said registration, may be demanded for recovery by the Organization.

(3)(a) Any supplier who willfully makes false or incorrect statements or entries in the records or in other documents and books used for the submission of claims to the Organization, with the purpose to deceive the Organization and receive payment for services or supplies which he has never provided or collects greater amounts than those which normally would be entitled to, shall be guilty of an offence and shall on conviction be liable to imprisonment for a period of two years or to a fine of two thousand pounds or to both penalties.

(b) In case of conviction, the contract between the supplier and the Organization is considered as being terminated from the date of the commission of the offence and all amounts which have been paid to the supplier, on the basis of the false or incorrect statements and entries, become refundable to the Organization.
(4) Any person who willfully provides false or incorrect information or particulars in connection with any provision of this Law, not falling under the provisions of subsections (1), (2), and (3), commits an offence punishable with imprisonment of two years or with a fine of two thousand pounds or with both such penalties.

(5) Any omission or act done contrary to the express provision of this Law constitutes an offence punishable with imprisonment for one year or with a fine of one thousand pounds or with both such penalties. Any other offence committed contrary to the provisions of this Law and for which no provision for penalty is provided, it is punishable with the same penalties mentioned above.

(6) In cases where any sums become refundable to the Organization by any person who has been convicted, under subsection (2) or (3) above, the Court may order the payment of these sums to the Organization, if these sums have been calculated or are acceptable by the accused and thereafter they are recovered as a fine; subject to any direction issued by the Court relevant to the time and manner of the payment.

(7) Any person who fails or omits to pay contribution payable, in accordance with this Law, shall be guilty of an offence and, shall on conviction be liable to a fine of five hundred pounds or to imprisonment for a period of six months and in case of a second conviction or repeated convictions for the same offence to a fine of two thousand pounds or to imprisonment for a period of twelve months or to both such penalties.

(8) In any case where a person has been convicted for refusing or neglecting or failing to pay a contribution, he shall, in addition to any fine be liable to pay to the fund a sum equal to The amount which he has failed or neglected to pay plus another sum not exceeding 50% of the amount of contribution, as the Court may order.

(9) Every employer who refuses or fails or neglects to pay a contribution to the Fund which he has deducted from the wages of a person employed by him shall be guilty of an offence and shall be liable on conviction to a fine of one thousand pounds or to imprisonment for a period of twelve months or to both such penalties.

(10) None of the provisions of this section may be construed as obstructing the Board to recover any sum due to the Fund with civil proceedings.

62. All fines, fees and costs recovered under this Law, shall be paid to the Fund.

63. The criminal prosecution for any offence provided under sub-sections (7), (8) of section 61 is exercised in accordance with the provisions of the Social Insurance Law and of the Income Tax Law, depending on the case to which they refer to in the criminal prosecution according to the relevant laws.

64.- (1) With the approval of the Council of Ministers the Organization may make regulations which shall be laid before the House of Representatives for approval.

(2) Without prejudice to the generality of section (1) the Organization may regulate by regulations the following or anything relating to them:

(a) Registration, deletion, transfer of beneficiaries to lists of family doctors, including the procedure of dispute resolution;
(b) Conclusion of contracts with suppliers;

(c) Procedure for the examination of applications of suppliers;

(d) Determination of building standards and other installations, equipment and any other connected with the provision of every kind of medical care covered by the general health care scheme;

(e) The way, the conditions and anything relevant with the provision of medical care to repatriated Cypriot citizens, to special cases or to persons voluntarily insured;

(f) Anything connected with the voluntary insurance;

(g) The purchase, supply and any other connected with the securing of drugs and medical products;

(h) The preparation and from time to time revision of the drug lists and other medical products;

(i) The setting of standards for prosthetics and any other relevant to the purchase, supply, installation repairs, adjustment, and replacement of prosthetics;

(j) The prescription of the specification of instruments and other things which are placed or implanted in the human body and anything connected with the purchase, supply installation, repair, adjustment and their replacement;

(k) Anything connected with Part VIII of the Law, including the making of regulations on the manner of submitting complaints, their examination and any other connected with the better enforcement of the provisions of this Part;

(l) Anything in connection with the compensation and income of the suppliers, including the preparation of the relevant scales and catalogues;

(m) The setting of standards of the supplies and services provided, including the minimum clinical standards;

(n) The organization and functioning of the medical centers;

(o) The organization of any matter in connection with partnerships of doctors or group practice medicine;

(p) Any matter in connection with the functioning of the Medical Audit Committee;

(q) The keeping of records, protection, confidentiality and processing of personal information;

(r) The function of the Medical Board established under section 59, including the appointment of its members;

(s) Any matter in connection with the insurance coverage for compensation due to negligence;

(t) The disposal of monies in accordance with paragraph (e) of subsection (2) of section 4;

(u) Any matter in connection with Subsection (1) of section 24;

(v) The fixing of minimum contribution payable by the beneficiary for any of the services and supplies provided by the scheme and for which no express provision is made in the Law that these are provided free of charge;

(w) The definition of any matter, which needs or is capable to such definition.
(3)(a) The operation of this Law is not dependent on the prior making of regulations for all or for certain of the matters referred to in subsection (2), but until these regulations are made, the organization shall issue for any applied practice circulars for the information of all the interested parties.

(b) The circulars shall be issued within a reasonable period of time after the establishment of the applied practice.

65. The operation of this Law does not in any way affects--

(a) The rights of the public officers serving in the medical services, in the services of public health, in the pharmaceutical services and in any other services of the Ministry of Health and they are in the service on the date of full implementation of the general health care scheme, and

(b) The interests of those serving in the above services, the temporary employees and all other categories of the employees serving on a permanent basis.

66.-(1) The government medical institutions continue to remain the property of the Government and the introduction of the general health care scheme does not affect their ownership status.

(2) The Government shall take all the necessary steps, so that the medical institutions are modernized in the sectors of organization, administration, management, and equipment and develop with the most possible usefulness and efficiency the sources available to them.

67. The existing medical care funds or other similar arrangements will continue to operate as they do until the date of the full implementation of the general health care scheme.

68.-(1) Subject to the provisions of subsection (2), the date of entering into force of this Law shall be prescribed by Regulations made by the Council of Ministers and laid before the House of Representatives for approval.

(2) The Council of Ministers may fix different dates of entering into force for different provisions of this Law.

(3) Section 19 shall enter into force on the date of entering into force of section 28.

(4) The Council of Ministers shall proceed with the appointment of the Chairman and the members of the Board within six months from the date of the publication of this Law in the Official Gazette of the Republic and thereafter the Administrative Board shall appoint within three months from its establishment the Director General and the officials of the Organization.