Article 1. Purpose and Scope of the Law

1. The Law shall establish the types of health insurance and the compulsory health insurance system: persons eligible for the compulsory health insurance, the principles of the Compulsory Health Insurance Fund budgeting and reimbursement of the costs of personal health care services, medicines and medical supplies from the Compulsory Health Insurance Fund budget, institutions providing compulsory health insurance, the rights and duties of persons eligible for the compulsory health insurance and of health care institutions related to compulsory health insurance, the dispute settlement procedure, the grounds for the reimbursement of cross-border health care costs and the principles of additional/voluntary health insurance.

2. This Law shall not apply to persons who, notwithstanding their compliance with the provisions of Article 6(1)(1)-(1)(4) of this Law, are subject to law of another state of the EEA or of the Swiss Confederation according to EU regulations on the coordination of social security systems.

3. The provisions of this Law have been harmonised with the legal acts of the European Union listed in the annex to this Law.

Article 2. Definitions

1. **Persons covered by the compulsory health insurance** mean persons eligible for the compulsory health insurance who themselves pay contributions in the amount set by this Law or for whom contributions in the amount set by this Law are paid in the manner prescribed by this Law.
2. **Insurers** mean legal persons, their branches and representative offices, as well as natural persons who must pay compulsory health insurance contributions in accordance with the procedure laid down by law, with the exception of the persons specified in Article 44 of this Law.

3. **Compulsory health insurance contributions** mean contributions paid by persons eligible for the compulsory health insurance and/or their insurers in the amount set by this Law.

4. **Budget of the Compulsory Health Insurance Fund** means a plan of revenue and expenditure set in this Law for a budget year.

5. **Compulsory health insurance** means a nationally set framework for personal health care and economic measures, which, on the basis and under the conditions set out by this Law, guarantees the persons covered by the compulsory health insurance the provision of health care services and compensation of costs related to the provided services, medicines and medical supplies in the case of an insured event.

6. **Additional/voluntary health insurance** means health care services specified in additional/voluntary health insurance contracts, which are reimbursed under these contracts after the insured event of additional health insurance. Additional/voluntary health insurance shall be provided in compliance with the procedure laid down by this Law, the Law on Insurance and other legal acts.

7. **Individual activities** mean the activities within the meaning of the Law on Personal Income Tax of the Republic of Lithuania (hereinafter: ‘the Law on Personal Income Tax’).

8. **Performer activities** mean the activities within the meaning of the Law on Personal Income Tax.

9. **Sports activities** mean the activities within the meaning of the Law on Personal Income Tax.

10. **Economic size of an agricultural holding or farm** means the size determined by dividing the standard manufacturing gross margin, the calculation of which is regulated in accordance with the procedure laid down by the Minister of Agriculture, by the economic size unit which is equal to LTL 4,143.

11. **Cross-border health care** means personal health care services provided to the insured by health professionals in another state of the European Economic Area in order to assess, maintain or improve their state of health, also prescription and dispensing of medicines, medical supplies and medical devices. Cross-border health care shall exclude social services and services not classified as personal health care, distribution and receipt of tissues, cells and/or
organs intended for transplantation and vaccination services provided under programmes for the vaccination of the population against communicable diseases.

Article 3. Types of Health Insurance
Health insurance shall be:
1) compulsory;
2) additional/voluntary.

Article 4. Institutions Responsible for the Compulsory Health Insurance
1. Institutions responsible for the compulsory health insurance shall be as follows:
   1) the Compulsory Health Insurance Council;
   2) the National Health Insurance Fund under the Ministry of Health (hereinafter: ‘the National Health Insurance Fund’);
   3) the Territorial Health Insurance Funds.
2. Activities of the institutions responsible for the compulsory health insurance shall be defined by this Law and other legal acts.

Article 5. Insured Events of the Compulsory Health Insurance
Insured events of the compulsory health insurance shall be health disorders or state of health of persons covered by the compulsory health insurance, which have been diagnosed by a medical doctor and which give grounds for the provision of the persons covered by the compulsory health insurance with health care services specified in this Law and other legal acts. The costs of such health care services shall be paid from the budget of the Compulsory Health Insurance Fund.

Article 6. Persons Eligible for the Compulsory Health Insurance and Persons Covered by the Compulsory Health Insurance
1. The following persons shall be eligible for the compulsory health insurance:
   1) citizens of the Republic of Lithuania and foreign nationals permanently residing in the Republic of Lithuania;
   2) foreign nationals temporarily residing in the Republic of Lithuania, provided that they are legally employed in the Republic of Lithuania, and minor members of their families;
   3) unaccompanied foreign minors;
4) foreign nationals who have been granted subsidiary protection in the Republic of Lithuania;

5) persons to whom this Law must apply under EU regulations on the coordination of social security systems.

2. Citizens of the Republic of Lithuania permanently or temporarily residing in the countries with which the Republic of Lithuania has signed international agreements on the compulsory health insurance and citizens of these countries permanently or temporarily residing in the Republic of Lithuania shall be covered by the compulsory health insurance in accordance with the procedure laid down by the said agreements.

3. The following persons shall be regarded as persons covered by the compulsory health insurance (hereinafter: ‘the insured’):

1) persons for whom compulsory health insurance contributions specified in Article 17(1), (3) and (6) of this Law are paid under this Law and persons who under this Law pay compulsory health insurance contributions specified in Article 17(2), (3), (4), (5), (7), (8) and (9) of this Law;

2) persons listed in paragraph 4 of this Article who are insured by the state.

4. The following persons shall be considered as persons insured by the state (except those who must pay or for whom compulsory health insurance contributions are paid under Article 17(1), (2), (3), (4), (5), (6) and (8) of this Law):

1) persons who receive any type of pension or relief compensation set by laws of the Republic of Lithuania;

2) unemployed persons registered with local labour exchange offices and persons involved in vocational training measures organised by local labour exchange offices, unless they sign an employment contract;

3) unemployed persons of working age who have statutory compulsory state social pension insurance record required for receiving the state social insurance old-age pension;

4) women who are granted a maternity leave and unemployed women during the period of pregnancy 70 days before the child birth (after 28 pregnancy weeks and over) and 56 days after the child birth;

5) one of the parents/adoptive parents raising a child under 8 years of age, one of the guardians providing guardianship for a child under 8 years of age in the family, also one of the parents/adoptive parents raising two or more minor children, one of the guardians/caretakers providing guardianship for/taking care of two or more minor children in the family;

6) persons under the age of 18 years;
7) pupils of general education schools, full-time students of vocational schools, post-secondary and higher education institutions of the Republic of Lithuania, also citizens of the Republic of Lithuania and foreign nationals and stateless persons permanently residing in the Republic of Lithuania, who are full-time students of higher education institutions of the Member States of the European Union;

8) persons supported by the state and provided with a social benefit;

9) one of the parents/adoptive parents, guardian or caretaker nursing at home a person for whom a disability level is established/disabled child or a person who was recognised as having incapacity for work (before 1 July 2005 – a person with disability of category I) before he reached the age of 24, or a person who before he reached the age of 26 was recognised as having incapacity for work (before 1 July 2005 – a person with disability of category I) because of an illness which occurred before he reached the age of 24, or a person who is identified as being in need of permanent nursing (before 1 July 2005 – total disability);

10) persons who have been recognised as disabled in accordance with the procedure laid down by legal acts;

11) persons suffering from publicly dangerous communicable diseases which are included in the list defined by the Ministry of Health;

12) participants of the opposition/resistance – volunteer soldiers, participants of fights for freedom, rehabilitated political prisoners and similar persons, deportees and similar persons, also victims of the events of 13 January 1991 or other events injured while defending Lithuania’s independence and statehood;

13) persons who contributed to the post-accident management at the Chernobyl nuclear power plant;

14) former inmates of the ghetto and juvenile prisoners kept at fascist forced confinement places;

15) clergymen of traditional religious associations recognised by the state, students of clergy training schools, novices undergoing monastic formation in novitiates;

16) persons for whom the legal status of participants of the war in Afghanistan is recognised in accordance with the procedure laid down by law;

17) unaccompanied foreign minors;

18) (repealed as of 25 October 2013);

19) the spouse of the President of the Republic who has not reached the pensionable age and does not have insured income – for the duration of the term of office of the President of the Republic.
Supplemented as of 1 January 2015:

20) persons engaged in voluntary hands-on training in accordance with the procedure defined by the Law on Support for Employment.

5. Health care of servicemen of the Republic of Lithuania, foreign nationals who have submitted an application for asylum in the Republic of Lithuania, also foreign nationals who are granted temporary protection in the Republic of Lithuania, persons detained by judicial and law enforcement institutions, who are kept detained in pre-trial detention facilities, convicted prisoners and persons who have committed an offence threatening the public, in respect of which compulsory medical measures are assigned by a court ruling, shall be covered from the state budget in accordance with the procedure laid down by the Government of the Republic of Lithuania (hereinafter: ‘the Government’) or an institution authorised thereby.

6. The Compulsory Health Insurance Fund shall dispose of the state budget funds designated for the compulsory health insurance of the persons indicated in paragraphs 4 and 5 of this Article and payment for health care services of the persons indicated in paragraph 5 of this Article, except where such services are rendered by health care institutions assigned to the area of management of the Ministry of Justice, the Ministry of National Defence or the Ministry of the Interior.

Article 7. Register of Persons Eligible for the Compulsory Health Insurance

1. The Register of Persons Eligible for the Compulsory Health Insurance shall be set up and its regulations shall be approved by the Government.

2. Objects of the Register of Persons Eligible for the Compulsory Health Insurance shall be persons eligible for the compulsory health insurance specified in Article 6(1) and (2) of this Law.

3. The Register of Persons Eligible for the Compulsory Health Insurance shall be managed and its data shall be provided in compliance with the Law on State Registers, the Law on the Rights of Patients and Compensation for the Damage to Their Health, the regulations of this Register and other legal acts.

4. The leading management body of the Register of Persons Eligible for the Compulsory Health Insurance shall be the National Health Insurance Fund and the management bodies of the Register – the National Health Insurance Fund and Territorial Health Insurance Funds.

5. In the cases and according to the procedure laid down by the Government, persons covered by the compulsory health insurance shall be issued compulsory health insurance certificates.
Article 8. Validity of the Compulsory Health Insurance

1. The compulsory health insurance of the persons referred to in Article 17(1), (2) and (6) of this Law shall become effective from the day on which compulsory health insurance contributions started to be paid for them or by themselves.

2. The compulsory health insurance of persons referred to in Article 17(3), (4), (5), (7), (9) and (9\(^1\)) of this Law shall become effective in the next month following the day where compulsory health insurance contributions were paid for them or by themselves for three consecutive months, or from the day of payment by these persons of a contribution equal to three minimum monthly wages. Payment of a contribution in the amount of three minimum monthly wages shall not release from the duty to pay the contributions in the amount set in Article 17 of this Law.

3. Persons referred to Article 6(4) of this Law shall be regarded as the insured from the day they acquire the status specified in Article 6(4) of this Law until the day on which they lose this status.

4. Persons referred to in Article 6(4) and Article 17(1)-(7) and (9) of this Law shall receive the services, subsidised medicines and medical supplies referred to in Articles 9-12 of this Law, the costs of which are covered from the budget of the Compulsory Health Insurance Fund, one more month after the last payment of the compulsory health insurance contributions for them or by themselves. This guarantee shall not release from the duty to pay the contributions in the amount set in Article 17 of this Law.

5. Payers of the contributions set in Article 17(1)-(9) of this Law shall pay a Territorial Health Insurance Fund for health care services paid from the budget of the Compulsory Health Insurance Fund (with the exception of the emergency medical treatment services) and rendered to persons who are not regarded as the insured.

6. If a Territorial Health Insurance Fund establishes that a person eligible for the compulsory health insurance has been, within a calendar month, provided with health care services, the costs of which exceed 100 basic social benefits, a relevant state tax inspectorate and/or an administrative body of the State Social Insurance Fund shall, on the advice of that Territorial Health Insurance Fund, check whether the person has paid all compulsory health insurance contributions. Other persons shall be checked selectively.

7. Costs related to the provision of health care services and the unpaid compulsory health insurance contributions shall be recovered from the persons in accordance with the procedure laid down by this Law, other laws and legal acts.
Note. To recognise that Article 8(2) of the Law of the Republic of Lithuania on Health Insurance (version of 22 July 2009, Official Gazette No 93-3983, 2009; version of 13 December 2011, Official Gazette, No 160-7564, 2011; version of 13 November 2012, Official Gazette No 136-6967, 2012), contradicts/contradicted Article 29 of the Constitution of the Republic of Lithuania to the extent it establishes, after the legislator determined that the compulsory health insurance of certain persons shall be valid as of the day on which compulsory health insurance contributions started to be paid for them or by themselves, that the compulsory health insurance shall become effective in respect of persons referred thereto no sooner than the next month following the day on which compulsory health insurance contributions were paid for them or by themselves for three consecutive months, or only of the day on which these persons pay a contribution equal to three minimum monthly wages.

CHAPTER II

COMPULSORY HEALTH INSURANCE SERVICES AND REIMBURSEMENT OF THEIR COSTS

Article 9. Personal Health Care Services Paid from the Budget of the Compulsory Health Insurance Fund

1. Personal health care services such as preventive medical assistance, medical assistance, rehabilitation treatment, nursing care, social services and community care categorised as personal health care and personal health examination shall be paid from the budget of the Compulsory Health Insurance Fund.

2. The costs of the following preventive medical assistance shall be covered from the budget of the Compulsory Health Insurance Fund:
   1) provision of information on the issues of disease prophylaxis;
   2) preventive health check-ups of persons eligible for the compulsory health insurance, as prescribed by the Ministry of Health.

3. The following shall be financed from the budget of the Compulsory Health Insurance Fund:
   1) personal health care services provided on the primary, secondary and tertiary level;
   2) compensation of costs of the replacement of limbs, joints and organs with prostheses and costs related to the acquisition of prostheses;
   3) compensation of eligible expenses related to medicines and medical supplies and defined by this Law;
4) state assistance in acquisition of orthopaedic devices in accordance with the procedure laid down by the Ministry of Health.

4. Rehabilitation treatment, nursing care, social services and community care categorised as personal health care, which are financed from the budget of the Compulsory Health Insurance Fund, shall cover:

1) nursing care, social services and community care, supportive treatment services at nursing and supportive treatment hospitals in accordance with the procedure and within the time limits set out by the Ministry of Health, but not longer than 120 days per calendar year;

2) rehabilitation treatment and treatment at a health resort defined in Article 11 of this Law.

5. The costs of the following personal health examination services shall be covered from the budget of the Compulsory Health Insurance Fund:

1) examination of the temporary incapacity for work of the eligible person;

2) (repealed);

3) autopsy in the case of death.

6. Personal health care services the costs whereof are covered from the budget of the Compulsory Health Insurance Fund shall be specified in the list of personal health care services financed from the budget of the Compulsory Health Insurance Fund. This list shall be approved by the Ministry of Health taking into consideration the opinions of the National Health Insurance Fund and the Compulsory Health Insurance Council.

7. The list of personal health care services financed from the budget of the Compulsory Health Insurance Fund may be detailed by indicating specific health care services in contracts between the Territorial Health Insurance Funds and health care institutions.

8. Only the personal health care services which meet the criteria of the personal health care services defined by the Government as coverable from the budget of the Compulsory Health Insurance Fund shall be covered from the budget of the Compulsory Health Insurance Fund.

9. The provision of inpatient services of a new type which are covered from the budget of the Compulsory Health Insurance Fund shall be subject to authorisation in accordance with the procedure laid down by the Minister of Health.

Article 10. Compensation of Costs of the Purchase of Medicines and Medical Supplies for the Insured

1. The insured shall be reimbursed for the costs of the purchase of subsidised medicines and medical supplies prescribed in the manner defined by the Ministry of Health for outpatient
treatment. The lists of diseases and subsidised medicines to cure them, subsidised medicines and subsidised medical supplies, also the procedure for reimbursing the costs of purchase shall be approved by the Ministry of Health taking into account the opinions of the National Health Insurance Fund and the Compulsory Health Insurance Council. Costs of medicines and medical supplies shall be compensated on the basis of basic prices calculated in accordance with the procedure laid down by the Government.

2. 100% of the basic cost of subsidised medicines on the list of diseases and subsidised medicines to cure them and the list of subsidised medicines, also medical supplies on the list of subsidised medical supplies and intended for outpatient treatment shall be reimbursed to the following insured persons:

1) children under 18 years of age;

2) persons recognised as incapable of work or persons who reached the pensionable age, for whom the level of major special needs is established in accordance with the procedure laid down by legal acts.

3. 100%, 90%, 80% or 50% of basic cost of subsidised medicines and medical supplies for outpatient treatment shall be reimbursed to the insured excluded from paragraph 2 of this Article and diagnosed with diseases, syndromes and conditions specified in the list of diseases and subsidised medicines to cure them or in the list of subsidised medical supplies by level of compensation.

4. In the event of outpatient treatment, 50% of basic cost of subsidised medicines specified in the list of subsidised medicines and medical supplies specified in the list of subsidised medical supplies shall be reimbursed to the following insured, who are excluded from paragraphs 2 and 3 of this Article:

1) persons receiving the state social insurance old-age pension;

2) persons receiving the social assistance pension;

3) persons receiving the pension for disability category II or those with partial capability of work for whom 30-40% capability of work is established in accordance with the procedure laid down by legal acts.

5. For the insured hospitalised in inpatient personal health care institutions, the costs of medicines and medical supplies shall be paid from the budget of the Compulsory Health Insurance Fund, except where the insured person chooses, on his own initiative and following his physician’s recommendation, more expensive medicines or medical supplies than those used in the Republic of Lithuania in accordance with the established methods of treatment. In such a case the insured must pay the health care institution the difference between the price of the medicine
or medical supplies prescribed by the physician and that of the medicine or medical supplies chosen by the insured (this difference may be paid from the funds of additional/voluntary health insurance or other funds).

**Article 11. Reimbursing the Insured for Costs of Medical Rehabilitation and Treatment at a Health Resort**

1. The basic cost of medical rehabilitation, including health recovery treatment, shall be fully compensated to the following insured:
   1) children under 18 years of age;
   2) persons recognised as incapable of work or persons who reached the pensionable age, for whom a level of major special needs is established in accordance with the procedure laid down by legal acts;
   3) persons who are sent to complete treatment after a serious illness or injury that is specified in the list approved by the Minister of Health.

2. 90% of the basic cost of treatment at a health resort/secondary prevention shall be compensated to the following insured:
   1) children under 7 years of age;
   2) children under 18 years of age who are recognised as disabled in accordance with the procedure laid down by legal acts.

3. The basic cost of medical rehabilitation and treatment at a health resort/secondary prevention shall be set by the Ministry of Health taking into account the opinions of the National Health Insurance Fund and the Compulsory Health Insurance Council.

4. The procedure for granting and paying compensations of the costs of medical rehabilitation and treatment at a health resort/secondary prevention shall be laid down by the Ministry of Health.

**Article 12. Compensation of Expenses Related to the Replacement of Limbs, Joints and Organs with Prostheses, the Acquisition of Prostheses and Centrally Paid Medicines and Medical Supplies**

The compensation procedure and the list of expenses related to the replacement of limbs, joints and organs with prostheses, the acquisition of prostheses and centrally paid medicines and medical supplies shall be the Ministry of Health taking into account the opinions of the National Health Insurance Fund and the Compulsory Health Insurance Council.
Article 12. Reimbursement of Cross-border Health Care Costs

1. Without prejudice to the provisions of EU regulations on the coordination of social security systems, cross-border health care costs of persons covered by the compulsory health insurance shall be reimbursed from the Compulsory Health Insurance Fund budget.

2. The costs of cross-border health care satisfying the conditions laid down in Article 49(2) of the Law of the Republic of Lithuania on Health System, including personal health care services, medicines, medical supplies and medical devices indicated in Article 9 of this Law (except for Article 9(5)), shall be reimbursed from the Compulsory Health Insurance Fund budget. These costs shall be reimbursed on the basis of the basic prices of subsidised medicines, medical supplies, medical devices and health care services set by the Minister of Health, however, they shall be limited to the actual costs of the insured. The cross-border health care costs of the insured shall be reimbursed from the National Health Insurance Fund and territorial health insurance funds, where the insured or his representative seeking reimbursement of cross-border health care costs submits an application to a territorial health insurance fund in accordance with the procedure established by the Minister of Health no later than within one year of the provision of personal health care services and/or dispensing medicines and/or medical supplies and/or medical devices.

3. Cross-border health care costs of the insured shall be reimbursed according to the procedure established by the Minister of Health.

CHAPTER III

FINANCES OF THE COMPULSORY HEALTH INSURANCE

Article 13. Financial Basis of the Compulsory Health Insurance

An independent budget of the State Compulsory Health Insurance Fund, which is not included in the state and municipal budgets, shall provide a financial basis for the compulsory health insurance.


1. The composition and requirements for drawing-up of financial statements of the Compulsory Health Insurance Fund and administrative bodies of the Compulsory Health Insurance Fund, and consolidated financial statements of the Compulsory Health Insurance Fund shall be regulated by the Law on Accountability of the Public Sector. The composition and
requirements for drawing up of reports on the implementation of the budget of the Compulsory Health Insurance Fund and administrative bodies of the Compulsory Health Insurance Fund shall be regulated by the rules of budgeting and implementation of the budget of the Compulsory Health Insurance Fund laid down in Article 14(4) of this Law.

2. Annual consolidated statements of the Compulsory Health Insurance Fund shall be drawn up by the National Health Insurance Fund.

3. The National Health Insurance Fund shall submit the annual consolidated statements of the Compulsory Health Insurance Fund accompanied by the conclusion of the Compulsory Health Insurance Council to the Ministry of Health.

4. The submission of annual consolidated statements of the Compulsory Health Insurance Fund to a public entity responsible for the drawing up of higher-level consolidated statements and the Government, approval, publication and auditing thereof shall be regulated by the Law on Accountability of the Public Sector.

**Article 14. Budget of the Compulsory Health Insurance Fund**

1. The budget of the Compulsory Health Insurance Fund shall be set for a period of one year from 1 January to 31 December.

2. The draft budget of the Compulsory Health Insurance Fund shall be drawn up by the National Health Insurance Fund. The draft budget of the Compulsory Health Insurance Fund and forecasted indicators of the budget of the Compulsory Health Insurance Fund for the next two years shall be presented to the Government by the Ministry of Health along with the conclusions of the Compulsory Health Insurance Council. The Government shall discuss the draft budget of the Compulsory Health Insurance Fund for the relevant year and forecasted indicators of the budget of the Compulsory Health Insurance Fund for the next two years and shall, not later than 75 calendar days before the end of the budget year, present to the Seimas for consideration along with a draft Law of the Republic of Lithuania on the Approval of Financial Indicators of the State Budget and Municipal Budgets for the year concerned. The budget of the Compulsory Health Insurance Fund shall be approved by a law of the Republic of Lithuania.

3. The budget of the Compulsory Health Insurance Fund must be balanced within a medium term (three years).

4. The rules of budgeting and implementation of the budget of the Compulsory Health Insurance Fund shall be approved by the Government.

**Article 15. Budget Revenue of the Compulsory Health Insurance Fund**
1. Budget revenue of the Compulsory Health Insurance Fund shall consist of:

1) compulsory health insurance contributions of the insured and contributions paid for them;

2) state budget contributions for the insured covered with state funds;

3) earnings of the institutions responsible for the compulsory health insurance;

4) additional allocations from the state budget;

5) voluntary contributions of natural and legal persons;

6) state budget appropriations to compensate the expenses of acquisition of orthopaedic devices;

7) funds recovered from or returned by health care institutions or pharmacies for personal health care services which have been illegally provided or illegally presented for reimbursement, for medicines and medical aid equipment which have been illegally prescribed, issued or presented for reimbursement;

8) funds recovered in accordance laid down by law from natural and legal persons for the damage caused to the health of the insured where the costs of the health care services of the insured were covered from the budget of the Compulsory Health Insurance Fund;

9) (repealed as of 1 January 2009).

2. The Seimas may approve additional allocations from the state budget to the budget of the Compulsory Health Insurance Fund if, due to the reasons unforeseen at the moment of the approval of the budget of the Compulsory Health Insurance Fund, the budget expenditure increases or revenue decreases and the budget of the Compulsory Health Insurance Fund is not in the position to fulfil all the obligations determined by this Law.

3. The Seimas may allocate state budget funds for a full or partial payment of the compulsory health insurance contributions of farmers provided for in Article 17(5) of this Law.

**Article 16. State Budget Contributions to the Budget of the Compulsory Health Insurance Fund**

1. Each year, while approving the state budget, the Seimas shall, on the recommendation of the Government, also approve the amount of a contribution transferred to the budget of the Compulsory Health Insurance Fund per insured person covered with state funds.

2. The amount of the contribution defined in paragraph 1 of this Article per insured person covered with state funds shall be 32% of the average of the domestic employees’ average monthly gross earnings of four quarters of the year preceding the last year, as announced by
Statistics Lithuania (the Department of Statistics of Lithuania), in 2009, 33% in 2010, 34% in 2011, 35% in 2012, 36% in 2013 and 37% in 2014 and in the following years.

3. The total sum of the state budget funds shall be transferred to the budget of the Compulsory Health Insurance Fund for the insured covered with state funds in accordance with the procedure laid down by legal acts.

**Article 17. Compulsory Health Insurance Contributions**

1. Insurers shall pay compulsory health insurance contributions amounting to 3% of income calculated in accordance with the procedure laid down by the Law on State Social Insurance, on the basis of which social insurance contributions are calculated, for the following persons:

   1) who work under employment contracts, hold elective positions as members in elective organisations, work in partnerships, agricultural companies or cooperative organisations as members, civil servants of public administration, covert participants of criminal intelligence who are paid remuneration according to written agreements on confidential co-operation concluded with them, also persons referred to in Article 4(2)(1) and (2) of the Law on State Social Insurance;

   2) state politicians, judges and candidates to judges of the Constitutional Court, the Supreme Court of Lithuania and other courts, officers of prosecutor’s offices, the Chairman of the Board of the Bank of Lithuania, his deputies, members of the Board, heads of state institutions or bodies appointed by the Seimas or the President of the Republic, other officers of state institutions or bodies appointed by the Seimas or the President of the Republic, chairmen of state/standing commissions and councils appointed by the Seimas or the President of the Republic, chairmen of other state/standing commissions and councils, their deputies and members, also officers of commissions or councils established under special laws, provided that they are remunerated for their work;

   3) (repealed as of 1 January 2012).

2. Persons referred to in paragraph 1 of this Article and in Article 4(2)(1) and (2) of the Law on State Social Insurance shall pay compulsory health insurance contributions in the amount of 6% of income individually calculated in accordance with the procedure laid down by the Law on State Social Insurance, on the basis of which social insurance contributions are calculated.

3. Persons receiving income under copyright contracts and income from sports activities or performer activities, with the exception of persons who engage in relevant individual activities, and the insurers shall accordingly pay compulsory health insurance contributions in the
amount of 6% and 3% of income, on the basis of which social insurance contributions are calculated. For persons having the status of an artistic creator, who do not receive income under copyright contracts and who are not the persons referred to Article 6(4) or Article 17(1) and (4)-(9) of this Law, compulsory health insurance contributions shall be paid by the state budget appropriations manager defined in the Law of the Republic of Lithuania on the Approval of Financial Indicators of the State Budget and Municipal Budgets for an Appropriate Year in the manner prescribed by the Government under the Programme of Social Protection of Artistic Creators. Such contribution shall amount to 9% of the minimum monthly earnings effective on the last day of the month for which the contribution is being paid.

4. Compulsory health insurance contributions of 9% of income, on the basis of which social insurance contributions are calculated, shall be paid by natural persons who engage in the following activities:

1) individual non-agricultural activities, with the exception of the persons specified in paragraph 5 of this Article;

2) individual agricultural activities and who are value added tax payers (with the exception of the persons specified in paragraph 7 of this Article).

5. Natural persons who engage in individual activities and pay the personal income tax on the income from individual activities by acquiring a business certificate shall, on a monthly basis, pay compulsory health insurance contributions in the amount of 9% of the minimum monthly earnings which are valid on the last day of the month for which a contribution is being paid. Contributions of the persons referred to in Article 6(4) or Article 17(1)(1), (2) and Article 17(2) of this Law shall be calculated in proportion to the period of validity of the issued business certificate.

6. Sole proprietorships, partnerships and small partnerships shall accordingly pay for owners of sole proprietorships, partners of partnerships and partners of small partnerships the compulsory health insurance contributions in the amount of 9% of the sum on the basis of which their social insurance contributions are calculated. In the cases where a sole proprietorship, a partnership or a small partnership does not temporarily carry out activities and has given a notice thereof to the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania in accordance with the procedure laid down by it or the above-mentioned proprietorship or partnership has the status of an enterprise in bankruptcy or in liquidation, owners of sole proprietorships, partners of partnerships and partners of small partnerships shall, each month, pay themselves the compulsory health insurance contributions of 9% of the minimum monthly earnings valid on the last day of the month for which the contribution is being paid, provided
they are not categorised as the persons specified in paragraphs 1-8 of this Article and in Article 6(4) of this Law.

7. Persons who are not the persons listed in paragraphs 1-5 of this Article and Article 6(4) of this Law and the economic size of the agricultural holding or the holding whereof, in accordance with the calculations carried out by the State Enterprise Agro-Information and Rural Business Centre for the period from the 1 January to 31 December of the last year, does not exceed 2 units of the economic size shall, each month, pay themselves compulsory health insurance contributions in the amount of 3% of the minimum monthly earnings which are valid on the last day of the month for which the contribution is being paid.

8. Persons who receive allowances, specified in the Law on Sickness and Maternity Social Insurance, from the budget of the State Social Insurance Fund, on the basis of which the personal income tax must be deducted in accordance with the procedure laid down by the Law on Personal Income Tax shall pay compulsory health insurance contributions in the amount of 6% of such income.

9. Persons who do not fall within the categories referred to in paragraphs 1-8 of this Article and Article 6(4) of this Law, shall, each month, pay themselves compulsory health insurance contributions in the amount of 9% of the minimum monthly earnings valid on the last day of the month for which the contribution is being paid.

91. Customers provided with agricultural and forestry services validated by a receipt, where the provision of such services is defined by the Law of the Republic of Lithuania on the Provision of Agricultural and Forestry Services Validated by a Receipt, shall pay for service providers compulsory health insurance contributions in the amount of 9% of the remuneration amount calculated for a relevant service provider in relation to the services supplied.

10. The annual compulsory health insurance contribution of persons, except for persons referred to in paragraphs 1 and 7 of this Article, Article 6(4) of this Law Article 4(2)(1) and (2) of the Law on State Social Insurance, may not be less than 9% of 12 minimum monthly earnings valid on the last day of each appropriate month of that year. The annual compulsory health insurance contribution of persons referred to in paragraph 7 of this Article may not be less than 3% of 12 minimum monthly earnings valid on the last day of each appropriate month of that year.

11. The annual compulsory health insurance contribution of natural persons referred to in paragraph 4 of this Article may not be less than 9% of 12 minimum monthly earnings valid on the last day of each appropriate month of that year. The annual compulsory health insurance contribution to be paid on income from individual activities of persons referred to in paragraph 4
of this Article, who engage in individual non-agricultural activities, shall be calculated on the basis of the sum not exceeding the sum of 48 amounts of the taxable income approved by the Government of the Republic of Lithuania for the current year. The annual compulsory health insurance contribution to be paid on income from individual agricultural activities of natural persons referred to in paragraph 4 of this Article, who engage in that type of individual activities, shall be calculated on the basis of the sum not exceeding the sum of 12 amounts of taxable income approved by the Government of the Republic of Lithuania for the current year.

Article 18. Administration and Payment of Compulsory Health Insurance Contributions

1. Compulsory health insurance contributions specified in Article 17(5), (7) and (9) of this Law shall be administrated by the State Tax Inspectorate under the Ministry of Finance in accordance with the procedure laid down by the Law on Tax Administration and shall transfer the said contributions and the sums related thereto, as specified in Article 19(2) of this Law, within three days to the account of the budget of the Compulsory Health Insurance Fund of the National Health Insurance Fund. The State Tax Inspectorate under the Ministry of Finance must, in accordance with the procedure laid down by the National Health Insurance Fund under the Ministry of Health and the State Tax Inspectorate under the Ministry of Finance, provide the National Health Insurance Fund and Territorial Health Insurance Funds with necessary information about paid compulsory health insurance contributions, as defined in Article 17(5), (7) and (9) of this Law. The State Tax Inspectorate under the Ministry of Finance shall define the cases and procedure for declaring compulsory health insurance contributions.

2. Compulsory health insurance contributions specified in Article 17(1)-(4), (6) and (9¹) of this Law shall be administrated and in the case referred to in Article 17(8) of this Law the contributions shall be deducted by administrative bodies of the State Social Insurance Fund in accordance with the procedure laid down by the Law on State Social Insurance, who shall, within three days, transfer these contributions and the sums related thereto, as referred to in Article 19(1) of this Law, to the account of the budget of the Compulsory Health Insurance Fund of the National Health Insurance Fund. The administrative bodies of the State Social Insurance Fund must furnish to the National Health Insurance Fund and Territorial Health Insurance Funds necessary information about the compulsory health insurance contributions specified in Article 17(1)-(4), (6) and (8) of this Law, which are paid by individual natural and legal persons. The State Social Insurance Fund Board under the Ministry of Social Security and Labour may carry out settlements with the budget of the Compulsory Health Insurance Fund through mutual set-
offs of contributions referred to in Article 17(1)-(4), (6), (8) and (9) of this Law and social insurance contributions of health care institutions financed from the budget of the Compulsory Health Insurance Fund. The State Social Insurance Fund Board under the Ministry of Social Security and Labour shall define the cases and procedure for declaring compulsory health insurance contributions.

3. Contributions specified in Article 17(1)-(4), (6) and (8) of this Law shall be paid in accordance with the procedure laid down by the Law on State Social Insurance.

4. Persons specified in Article 17(4) of this Law shall, each month, pay compulsory health insurance contributions in the amount of 9% of the minimum monthly earnings valid on the last day of the month for which the contribution is being paid. The contribution shall be paid for an appropriate month before the last day of that month. Persons indicated in 17(4) of this Law may pay contributions in accordance with the procedure laid down in paragraph 5 of this Article instead of paying them on a monthly basis, provided that they themselves pay the compulsory health insurance contributions referred to Article 17(1), (2) and (6) of this Law and/or the said contributions are paid for them or they fall under the category of persons specified in Article 6(4) of this Law.

5. Upon the end of a calendar year, persons indicated in Article 17(3) and (4) of this Law and service providers supplying agricultural or forestry services validated by a receipt, as specified in Article 17(9) of this Law, must recalculate compulsory health insurance contributions payable for the previous calendar year, taking account of the provisions of Article 17(3), (4), (9), (10) and (11) of this Law, and must, not later than until 1 May, pay the difference between the sum of compulsory health insurance contributions paid during the previous calendar year and the payable sum of compulsory health insurance contributions.

6. Persons specified in 17(5) of this Law shall have the right to pay, once a year, but not later than until 1 May of the next year, compulsory health insurance contributions referred to in Article 17(5) of this Law for the months for which they themselves pay the compulsory health insurance contributions referred to in Article 17(1), (2) or (6) of this Law and/or the said contributions are paid for them or they fall under the category of persons specified in Article 6(4) of this Law.

7. Contributions specified in Article 17(5), (7) and (9) of this Law shall be paid to the account of the State Tax Inspectorate under the Ministry of Finance for collecting budget revenue.

8. Customers provided with agricultural and forestry services validated by a receipt, where the provision of such services is defined by the Law of the Republic of Lithuania on the
Article 19. Responsibility for Payment of Compulsory Health Insurance Contributions

1. In the event of non-compliance with the procedure for calculating and paying contributions indicated in Article 17(1)-(4) of this Law, penalties shall be imposed on the insurers and late payment interest shall be calculated in accordance with the procedure laid down by the Law on State Social Insurance.

2. In the event of non-compliance with the procedure for calculating and paying contributions indicated in Article 17(5), (7) and (9) of this Law, penalties shall be imposed on the persons who must pay and/or calculate such contributions and late payment interest shall be calculated in accordance with the procedure laid down by the Law on Tax Administration.

3. Failing to transfer, in a timely manner, the collected compulsory health insurance contributions to the account of the budget of the Compulsory Health Insurance Fund, territorial state tax inspectorates and administrative bodies of the State Social Insurance Fund shall pay late payment interest according to the standard amount of late payment interest established by the Minister of Finance and imposed in relation to delayed tax payment.

Article 20. Relations of Institutions Responsible for the Compulsory Health Insurance with Lithuanian Banking Institutions

The National Health Insurance Fund and Territorial Health Insurance Funds must choose a bank in the Republic of Lithuania by public tender. Terms of the tender shall be laid down by the Ministry of Health.

Article 21. Budgetary Expenditure of the Compulsory Health Insurance Fund

1. Budgetary expenditure of the Compulsory Health Insurance Fund shall consist of:

1) costs of personal health care services, determined by this Law, which are covered from
the Compulsory Health Insurance Fund budget and expenses paid to health care institutions contracted by Territorial Health Insurance Funds, including reimbursement of cross-border health care costs for the insured;

2) reimbursement to the insured of expenses related to the purchase of medicines and medical supplies in accordance with the procedure established by this Law;

3) reimbursement to the insured in accordance with the procedure laid down by this Law of costs of rehabilitation treatment and treatment at a health resort;

4) compensation of expenses related to the replacement of limb, joint and organ prostheses and acquisition of the prostheses, also compensation of centrally paid medicines and medical supplies;

5) expenses related to the acquisition of orthopaedic devices;

6) expenses related to the payment of operating expenses of institutions responsible for the compulsory health insurance.

7) expenses related to the payment of costs of the State Social Insurance Fund incurred in relation to the collection and transfer of health insurance contributions to the Compulsory Health Insurance Fund.

2. On the recommendation of the Compulsory Health Insurance Council, the National Health Insurance Fund may, after having agreed with the Ministry of Health, appropriate the funds of the budget of the Compulsory Health Insurance Fund to finance state and municipal health care programmes.

3. Up to 2% of the funds of the budget of the Compulsory Health Insurance Fund may be appropriated for operating expenses of the National Health Insurance Fund and Territorial Health Insurance Funds.

**Article 22. Budget Reserve of the Compulsory Health Insurance Fund**

1. A reserve shall be created in order to stabilise the budget of the Compulsory Health Insurance Fund. It must not exceed 10% of the annual budget revenue of the Compulsory Health Insurance Fund.

2. Reserve funds shall be used in accordance with the procedure laid down by the Government to cover temporary revenue deficit or expenses which could not be foreseen at the moment of the approval of the budget of the Compulsory Health Insurance Fund.

**Article 23. Use of the Budget Reserve and Other Temporarily Available Budget Funds of the Compulsory Health Insurance Fund**
1. The National Health Insurance Fund and Territorial Health Insurance Funds must keep the funds of the budget reserve and other temporarily available funds of the budget of the Compulsory Health Insurance Fund in banking institutions of Lithuania chosen by public tender or invest them in government securities or securities of the Bank of Lithuania. The income received must be used for the needs of the compulsory health insurance.

2. Operations with temporarily available funds of the budget of the Compulsory Health Insurance Fund shall be supervised by the Ministry of Health.

**Article 24. Circulating Capital**

1. Circulating capital shall be provided for in the budget of the Compulsory Health Insurance Fund. It shall be obtained from the balance of the budget funds of the Compulsory Health Insurance Fund and, if insufficient, from the planned budget revenue of the Compulsory Health Insurance Fund. The amount of circulating capital shall be determined when approving the budget of the Compulsory Health Insurance Fund.

2. Circulating capital shall be used to cover temporary cash revenue deficit and must be refunded not later than by the end of the budget year.

**Article 25. Setting Basic Prices of Personal Health Care Services Paid from the Budget of the Compulsory Health Insurance Fund**

1. Basic prices of personal health care services paid from the budget of the Compulsory Health Insurance Fund shall be determined by the Ministry of Health taking into account the opinions of the National Health Insurance Fund and the Compulsory Health Insurance Council.

2. The methodology for determining the basic prices of personal health care services paid from the budget of the Compulsory Health Insurance Fund shall be approved by the Ministry of Health.

**Article 26. Agreements between Territorial Health Insurance Funds and Health Care Institutions and Pharmacies**

1. Payment of personal health care costs of the insured shall be based on agreements between Territorial Health Insurance Funds and health care institutions, while expenses related to subsidised medicines and medical supplies dispensed by pharmacies shall be reimbursed on the basis of agreements between Territorial Health Insurance Funds and pharmacies. Territorial Health Insurance Funds shall sign agreements with state, municipal and other personal health care institutions and pharmacies holding licences for health care and pharmaceutical activities or
accredited for these activities and willing to enter into such agreements. All insured persons shall have the right to access such agreements.

2. Contracts between Territorial Health Insurance Funds and individual health care institutions, also contracts between Territorial Health Insurance Funds and pharmacies shall be concluded pursuant to the Civil Code, this Law and other laws and in accordance with the procedure laid down by the Ministry of Health taking into consideration the opinions of the National Health Insurance Fund and the Compulsory Health Insurance Council.

Article 27. Procedure and Terms of Payment by Territorial Health Insurance Funds to Health Care Institutions and Pharmacies

1. Territorial Health Insurance Funds must, under the conditions of agreements and within the limits of the approved appropriations of the budget of the Compulsory Health Insurance Fund, pay invoices issued by personal health care institutions and pharmacies wherewith the funds have agreements.

2. Once a month, invoices for provided personal health care services and dispensed medicines and medical supplies which are subject to compensation shall be submitted by health care institutions and pharmacies to the Territorial Health Insurance Fund wherewith it has an agreement. The Territorial Health Insurance Fund shall, not later than within 30 days of the receipt of an invoice, settle the invoices issued by transferring money to the health care institutions and pharmacies. Failing to pay in due time, the Territorial Health Insurance Funds shall pay late payment interest in accordance with the procedure laid down by laws and other legal acts.

3. If actual budget expenditure of the Compulsory Health Insurance Fund exceeds the expenditure approved in the plan of the budget expenditure of the Compulsory Health Insurance Fund, the Ministry of Health shall, taking into account the opinions of the National Health Insurance Fund and the Compulsory Health Insurance Council and in accordance with the procedure laid down by this Law and other legal acts, make decisions to set an amount of payments and compensations within the approved plan of expenditure.

4. If actual budget revenue of the Compulsory Health Insurance Fund is less than approved in the budget of the Compulsory Health Insurance Fund, the Ministry of Health shall, taking into account the opinions of the National Health Insurance Fund and the Compulsory Health Insurance Council, make proposals to the Government to adjust the budget of the Compulsory Health Insurance Fund. The adjustment of the budget of the Compulsory Health Insurance Fund shall provide for necessary resources to cover late payment interest in accordance
with the procedure laid down by legal acts.

CHAPTER IV
INSTITUTIONS RESPONSIBLE FOR THE COMPULSORY HEALTH INSURANCE

Article 28. Compulsory Health Insurance Council

1. The Compulsory Health Insurance Council shall be a collegiate advisory institution. The Ministry of Health shall form the Compulsory Health Insurance Council and approve its composition and regulations.

2. The Compulsory Health Insurance Council shall:
   1) consider target and current tasks of the compulsory health insurance;
   2) submit proposals to the Ministry of Health concerning the list of personal health care services paid for from the budget of the Compulsory Health Insurance Fund;
   3) submit conclusions regarding a draft budget of the Compulsory Health Insurance Fund, consolidated financial statements of the Compulsory Health Insurance Fund;
   4) make proposals regarding legal acts regulating the compulsory health insurance;
   5) make proposals for the requirements for the structure of the National Health Insurance Fund and Territorial Health Insurance Funds, standard operating expenses and allocation of the budget of the Compulsory Health Insurance Fund;
   6) make proposals regarding the procedure for concluding agreements between Territorial Health Insurance Funds and personal health care institutions and pharmacies;
   7) examine financial and economic activities of the National Health Insurance Fund;
   8) consider other compulsory health insurance issues.

3. The Compulsory Health Insurance Council shall be comprised of:
   1) six representatives of governance institutions, including one representative of each of the National Health Council, the Ministry of Health, the Ministry of Social Security and Labour, the Ministry of Finance, the National Health Insurance Fund and the Territorial Health Insurance Funds;
   2) five representatives of the insured, including two representatives of employers’ organisations and one representative of each of trade unions of non-health care professionals, patients’ organisations and the association of municipalities;
   3) five representatives of providers of health care and pharmaceutical services, including two representatives of health care professionals (one representative of each of the trade union of physicians and the trade union of nursing professionals), two representatives of organisations of
health care service providers and one representative of pharmacists’ organisations.

4. The Compulsory Health Insurance Council shall be headed by the Chairperson. He shall be elected by a simple majority vote subject to the presence of at least two-thirds of the members of the Compulsory Health Insurance Council.

Article 29. National Health Insurance Fund

1. The National Health Insurance Fund shall operate in compliance with this Law, the Law on Budgetary Institutions and the regulations approved by the Ministry of Health. The Law on Budgetary Institutions shall apply to the National Health Insurance Fund to the extent not covered by this Law.

2. The Director of the National Health Insurance Fund shall be appointed and dismissed by the Minister of Health in accordance with the procedure laid down by the Law on Civil Service.

3. The National Health Insurance Fund shall be a legal person, maintained from the budget of the Compulsory Health Insurance Fund, having its seal with the state emblem of Lithuania and holding bank accounts with the banks of the Republic of Lithuania.

4. The National Health Insurance Fund shall be accountable for its activities to the Ministry of Health.

Article 30. Functions of the National Health Insurance Fund

The National Health Insurance Fund shall perform the following functions:

1) preparation of a draft budget of the Compulsory Health Insurance Fund, annual reports on its implementation and its financial statements, also consolidated financial statements of the Compulsory Health Insurance Fund, and implementation of the budget of the Compulsory Health Insurance Fund;

2) supervision of the activities of the Territorial Health Insurance Funds;

3) building up of a reserve from the budget funds of the Compulsory Health Insurance Fund and its use in accordance with the procedure laid down by this Law and other legal acts;

4) use of funds temporarily available in the budget of the Compulsory Health Insurance Fund in accordance with the procedure laid down by this Law;

5) auditing of the Territorial Health Insurance Funds or signing of agreements with audit firms for the audit of Territorial Health Insurance Funds;

6) managing the Register of Persons Eligible for the Compulsory Health Insurance in accordance with the procedure laid down by the Law on State Registers, the Law on the Rights of
Patients and Compensation for the Damage to their Health, the regulations of the Register of Persons Eligible for the Compulsory Health Insurance and other legal acts;

7) ensuring, on the grounds and under the conditions set by this Law, compensation from the budget funds of the Compulsory Health Insurance Fund through Territorial Health Insurance Funds of costs related to the provision of preventive medical assistance, medical assistance, rehabilitation treatment, nursing care, social services and maintenance, categorised as personal health care, and personal health examination services;

8) other functions prescribed by this Law, the regulations of the National Health Insurance Fund and other legal acts.

Article 31. Rights of the National Health Insurance Fund
The National Health Insurance Fund shall have the right to:

1) use budget resources of the Compulsory Health Insurance Fund transferred to it, other legally acquired funds and assets in accordance with the procedure laid down by laws and other legal acts;

2) conclude contracts in accordance with the procedure established by laws and other legal acts;

3) acquire and dispose of Government bonds and of securities of the Bank of Lithuania;

4) implement, on the recommendation of the Compulsory Health Insurance Council, measures generating additional revenue;

5) determine the structure of the National Health Insurance Fund and Territorial Health Insurance Funds;

6) obtain, in accordance with the procedure laid down by laws and other legal acts and free of charge, from ministries, other government bodies, executive municipal institutions, Territorial Health Insurance Funds, administrative bodies of the State Social Insurance Fund, health care institutions, other enterprises, bodies and organisations any information necessary for the performance of the functions of the National Health Insurance Fund. The list of such information shall be defined in the regulations of the National Health Insurance Fund;

7) manage personal data of persons eligible for the compulsory health insurance, including special personal data related to the provision of preventive medical assistance, medical assistance, rehabilitation treatment, nursing care, social services and maintenance, categorised as personal health care, also personal health examination services, and to the compensation of costs of these services;

8) control the quantity and quality of personal health care services covered from the
budget of the Compulsory Health Insurance Fund and compliance of the provided personal health care services with the set requirements, the legality of prescribing and dispensing of medicines and medical supplies, and the activities of health care institutions and pharmacies related thereto;  

9) check the accuracy of invoices issued by health care institutions and pharmacies and inspect related accounting and other documents;  

10) make a financial and economic analysis of the use of budget funds of the Compulsory Health Insurance Fund and of the structure, availability and trends in quality change of health care services;  

11) the National Health Insurance Fund may have other rights established by laws, the regulations of the National Health Insurance Fund and other legal acts.

Article 32. Territorial Health Insurance Funds

1. Territorial Health Insurance Funds shall be established and their regulations shall be approved by the National Health Insurance Fund. The number of Territorial Health Insurance Funds and area of their territorial activities shall be determined by the National Health Insurance Fund subject to its agreement with the Ministry of Health Care. The maximum number of Territorial Health Insurance Funds to be established shall be five.  

2. The Territorial Health Insurance Fund shall be a legal person operating under this Law, the Law on Budgetary Institutions and the regulations specified in paragraph 1 of this Article, maintained from the budget funds of the Compulsory Health Insurance Fund and holding a seal with the state emblem of Lithuania and bank accounts. The Law on Budgetary Institutions shall apply to Territorial Health Insurance Funds to the extent not covered by this Law.  

3. The Director of a Territorial Health Insurance Fund shall be appointed and dismissed from office by the Director of the National Health Insurance Fund in accordance with the Law on Civil Service.  

4. Territorial Health Insurance Funds shall be accountable for their activities to the National Health Insurance Fund.

Article 33. Functions of Territorial Health Insurance Funds

Territorial Health Insurance Funds shall perform the following functions:  

1) entering into agreements with health care institutions and pharmacies, payment to them, within the time limits and in accordance with the procedure laid down by these agreements, for personal health care services provided and medicines and medical supplies dispensed to persons eligible for the compulsory health insurance;
2) reimbursement, in accordance with the procedure laid down in Articles 10, 11 and 12 of this Law, to persons eligible for the compulsory health insurance for the costs of acquisition of medicines and medical supplies, rehabilitation treatment and treatment at a health resort, acquisition of limb, joint and organ prostheses and replacement with such prostheses;

3) management of the Register of Persons Eligible for the Compulsory Health Insurance in accordance with the procedure laid down by the Law on State Registers, the Law on the Rights of Patients and Compensation for the Damage to their Health, the regulations of the Register of Persons Eligible for the Compulsory Health Insurance and other legal acts;

4) financing municipal health care programmes;

5) analysis and evaluation of data on the state of health of municipal population in counties and trends in the change of the demographic structure;

6) control, within the area of their activities, of the quality and quantity of personal health care services paid for from the budget of the Compulsory Health Insurance Fund and of the compliance of the provided personal health care services with the set requirements, legality of the prescription and dispensing of medicines and medical supplies and related activities of health care institutions and pharmacies;

7) checking the accuracy of the invoices of health care institutions and pharmacies and inspecting related accounting and other documents;

8) controlling, in accordance with the procedure and under the conditions set out by the Ministry of Health, the availability and suitability of personal health care services provided to persons eligible for the compulsory health insurance;

9) claiming, in compliance with the Civil Code and other laws, from health care institutions and pharmacies compensation of damage caused to the budget of the Compulsory Health Insurance Fund. Such funds shall be returned and included in the budget of the Territorial Health Insurance Fund which paid for illegally provided personal health care services or dispensed medicines and medical supplies as additional funds and shall be allocated to pay for personal health care services or medicines and medical supplies;

10) carrying out, within the area of their activities, of a financial and economic analysis of the use of the budget funds of the Compulsory Health Insurance Fund and of the structure, availability and trends in the change of quality of health care services;

11) publication of information on their activities, informing persons eligible for the compulsory health insurance about personal health care services and the procedure and conditions of the provision thereof;

12) other functions prescribed by laws, the regulations of Territorial Health Insurance
Article 34. Rights of Territorial Health Insurance Funds

Territorial Health Insurance Funds shall have the right to:

1) use, in accordance with the procedure laid down by laws and other legal acts, the budget funds of the Compulsory Health Insurance Fund transferred to it and other legally acquired funds and assets;

2) sign agreements in accordance with the procedure laid down by laws and other legal acts. Territorial Health Insurance Funds may enter into agreements for the use of the assets of the Territorial Health Insurance Funds only subject to the consent of their founder;

3) implement, on the recommendation of the Compulsory Health Insurance Council, measures generating additional revenue;

4) make proposals to the National Health Insurance Fund regarding the structure of a Territorial Health Insurance Fund;

5) obtain, free of charge and in accordance with the procedure laid down by laws and other legal acts, from the ministries, other government bodies, executive municipal institutions, administrative bodies of the State Social Insurance Fund, health care institutions, other enterprises, bodies and organisations information necessary for the performance of the functions of the Territorial Health Insurance Fund. The list of such information shall be defined in the regulations of the Territorial Health Insurance Fund;

6) manage personal data of persons eligible for the compulsory health insurance, including special personal data related to the provision of preventive medical assistance, medical assistance, rehabilitation treatment, nursing care, social services and maintenance, categorised as personal health care, also personal health examination services, and to the compensation of costs of these services;

7) having established any non-compliance of personal health care services to legal acts, demand that the administration of a health care institution examine the qualification of the relevant professional providing personal health care;

8) propose to the State Health care Accreditation Agency under the Ministry of Health to cancel the licence of a personal health care institution, its structural unit or personal health care professional to engage in personal health care activities;

9) submit proposals to the Compulsory Health Insurance Council, the National Health Insurance Fund and other institutions concerning the organisation of the compulsory health insurance;
10) bring an action against persons for recovery of costs of personal health care services provided to them unlawfully;

11) analyse and evaluate the impact on health of commercial, economic or other activities of the enterprises, establishments and organisations located within the area assigned to a Territorial Health Insurance Fund; make proposals on these issues to the Supervisory Board of the Territorial Health Insurance Fund, organise and pay for selective observations of the health condition of persons eligible for the compulsory health insurance;

12) Territorial Health Insurance Funds may also have other rights established by laws, regulations of the Territorial Health Insurance Funds and other legal acts.

**Article 35. Supervisory Board of a Territorial Health Insurance Fund**

1. The Supervisory Board of a Territorial Health Insurance Fund shall be formed for the term of four years. The Supervisory Board shall be a collegial advisory body. The Supervisory Board of the Territorial Health Insurance Fund shall be comprised of a representative of the Ministry of Health, a representative of the National Health Insurance Fund and one representative – a municipal councillor delegated by municipal councils of each municipality in the area serviced by the Territorial Health Insurance Fund. The work of the Supervisory Board of the Territorial Health Insurance Fund shall be directed by the Chairperson of the Supervisory Board of the Territorial Health Insurance Fund, who shall be elected from among the members of the Supervisory Board of the Territorial Health Insurance Fund by a simple majority vote provided that at least two-thirds of the members of the Supervisory Board of the Territorial Health Insurance Fund are present. The Chairperson of the Supervisory Board of the Territorial Health Insurance Fund may not be a representative of the Ministry of Health or of the National Health Insurance Fund.

2. The Supervisory Board of a Territorial Health Insurance Fund shall:

   1) elect the Reconciliation Commission of the Territorial Health Insurance Fund;

   2) supervise conclusion and execution of agreements between the Territorial Health Insurance Fund and personal health care institutions and pharmacies;

   3) make proposals to the Director of the National Health Insurance Fund to appoint and dismiss the Director of the Territorial Health Insurance Fund;

   4) approve the staff list of the employees of the Territorial Health Insurance Fund and the estimate of expenditure;

   5) supervise and analyse the activities of the administration of the Territorial Health Insurance Fund and the use of its financial resources;
6) approve annual reports on implementation of the budget and financial statements of the Territorial Health Insurance Fund submitted by the Director of the Territorial Health Insurance Fund. The annual reports on implementation of the budget and the financial statements shall be made public not later than on 1 May of the current year;

7) consider and resolve other issues of the compulsory health insurance assigned as part of the functions of the Territorial Health Insurance Fund.

3. The Supervisory Board of a Territorial Health Insurance Fund shall have the right to organise the audit of the Territorial Health Insurance Fund. The audit shall be financed from the funds allocated for the management of the Territorial Health Insurance Fund. If any faults are established in relation to the accounting and drafting of financial statements and the report on implementation of the budget of the Territorial Health Insurance Fund, the Chairperson of the Supervisory Board of the Territorial Health Insurance Fund must convene an extraordinary meeting of the Supervisory Board of the Territorial Health Insurance Fund. The Supervisory Board of the Territorial Health Insurance Fund shall also have the right to obtain, free of charge, the data of the economic, financial and medical audit of the activities of health care institutions wherewith the Territorial Health Insurance Fund has concluded agreements.

4. The operational arrangements of the Supervisory Board of a Territorial Health Insurance Fund shall be laid down by the regulations of the Territorial Health Insurance Fund.

Article 36. Reconciliation Commission of a Territorial Health Insurance Fund

1. The four-member Reconciliation Commission of a Territorial Health Insurance Fund shall be elected by the Supervisory Board of the Territorial Health Insurance Fund on the recommendation of its Chairperson for the period of four years. One member of the Commission must represent patient associations active within the area of the Territorial Health Insurance Fund. The Commission shall settle disputes between persons eligible for the compulsory health insurance, health care institutions, pharmacies and the Territorial Health Insurance Fund regarding the payment of costs of the personal health care services which are covered from the budget of the Compulsory Health Insurance Fund, and regarding the execution of health care agreements. In the event of a tie, the Chairperson of the Commission shall have the casting vote.

2. The rules of procedure of the Reconciliation Commission of a Territorial Health Insurance Fund shall be laid down by the regulations of the Territorial Health Insurance Fund.

Article 37. Medical Audit Commission of a Territorial Health Insurance Fund

1. The three-member Medical Audit Commission of a Territorial Health Insurance Fund
shall be elected for a three-year term by the Supervisory Board of the Territorial Health Insurance Fund on the recommendation of the Chairperson of the Supervisory Board. Members of the Medical Audit Commission of the Territorial Health Insurance Fund must be personal health care professionals.

2. The Medical Audit Commission of a Territorial Health Insurance Fund shall, within its remit, control the quality and availability of personal health care services provided by health care institutions wherewith the Territorial Health Insurance Fund has concluded agreements, or propose to the Director of the Territorial Health Insurance Fund to conclude agreements with independent experts for the control of these matters.

3. The rules of procedure of the Medical Audit Commission of a Territorial Health Insurance Fund shall be laid down in the regulations of the Territorial Health Insurance Fund.

CHAPTER V
RIGHTS AND DUTIES OF PERSONS ELIGIBLE FOR THE COMPULSORY HEALTH INSURANCE AND OF HEALTH CARE INSTITUTIONS THAT HAVE AGREEMENTS WITH TERRITORIAL HEALTH INSURANCE FUNDS IN THE CASE OF THE COMPULSORY HEALTH INSURANCE

Article 38. Rights of Persons Eligible for the Compulsory Health Insurance and Covered by the Compulsory Health Insurance

Persons eligible for the compulsory health insurance shall have the right to:

1) choose, in accordance with the procedure laid down by laws and other legal acts, a personal health care institution wherewith a Territorial Health Insurance Fund has concluded an agreement, and receive personal health care services guaranteed by the compulsory health insurance;

2) obtain from the health care institution wherewith the Territorial Health Insurance Fund has concluded an agreement information about his health condition, planned medical tests, medical procedures, method of treatment and its effect, the scope of offered personal health care services and the conditions and place of their provision. Legal representatives of legally incapable persons shall be entitled to obtain the equivalent information about the latter;

3) receive compensation from health care institutions for damage caused to their health for which responsibility lies with health care institutions or personal health care professionals, whether compensation was provided for by the agreements between the Territorial Health Insurance Fund and the health care institutions or not. The amount and payment of the
compensation shall be set by laws or other legal acts;

4) apply to commissions of Territorial Health Insurance Funds, the National Health Insurance Fund or court regarding any breach of laws or other legal acts regulating the compulsory health insurance.

Article 39. Duties of Health Care Institutions and Pharmacies That Have Agreements with a Territorial Health Insurance Fund in Relation to the Compulsory Health Insurance

1. Health care institutions which have concluded contracts with a Territorial Health Insurance Fund must:

1) guarantee to persons eligible for the compulsory health insurance the provision of health care services which are guaranteed by the compulsory health insurance and the availability and suitability of these services;

2) ensure the confidentiality of information concerning a person’s health condition, except in cases specified by laws;

3) guarantee, in the case of an insured event, to all persons eligible for the compulsory health insurance equal rights in relation to the provision of personal health care services;

4) submit, in a timely manner, information defined by the National Health Insurance Fund to the National Health Insurance Fund and Territorial Health Insurance Funds;

5) furnish information to a person eligible for the compulsory health insurance about personal health care services which are not categorised as services the costs of which are covered from the budget of the Compulsory Health Insurance Fund, and the conditions and procedure of their provision.

2. Pharmacies which have concluded agreements with a Territorial Health Insurance Fund must:

1) ensure the provision, in accordance with the procedure and under the conditions laid down by the Ministry of Health, of the insured with medicines and medical supplies compensated from the budget funds of the Compulsory Health Insurance Fund;

2) submit, within the time limits specified in the agreement, to the Territorial Health Insurance Fund reports on and information about dispensing/sale of subsidised medicines and medical supplies;

3) enable Territorial Health Insurance Funds to control the legality of dispensing of medicines and medical supplies the costs of which are covered from the budget funds of the Compulsory Health Insurance Fund;
4) compensate damage caused to the budget of the Compulsory Health Insurance Fund, if such damage was caused through illegal dispensing/sale of the medicines or medical supplies compensated from the budget funds of the Compulsory Health Insurance Fund

CHAPTER VI
SETTLEMENT OF DISPUTES CONCERNING THE COMPULSORY HEALTH INSURANCE

Article 40. Settlement of Disputes between Persons Eligible for the Compulsory Health Insurance and Territorial Health Insurance Funds As To the Compulsory Health Insurance

1. Disputes between persons eligible for the compulsory health insurance and Territorial Health Insurance Funds as to the compulsory health insurance shall be examined by the Reconciliation Commission of a relevant Territorial Health Insurance Fund. The Reconciliation Commission of the Territorial Health Insurance Fund must, within 30 days of the application day or, where additional information and investigation is necessary, within additional 15 days, examine the application and adopt a decision.

2. A person eligible for the compulsory health insurance may, in accordance with the procedure laid down by law, appeal to court against the decision of the Reconciliation Commission of a Territorial Health Insurance Fund.

Article 41. Settlement of Disputes between Person Eligible for the Compulsory Health Insurance and Health Care Institutions As To the Compulsory Health Insurance

1. Disputes between persons eligible for the compulsory health insurance and health care institutions as to the compulsory health insurance shall be settled by Territorial Health Insurance Funds. A Territorial Health Insurance Fund must, within 30 days of the application day or, where additional information and investigation is necessary, within additional 15 days, examine the application and adopt a decision.

2. A person eligible for the compulsory health insurance or a health care institution may, in accordance with the procedure laid down by law, appeal to court against the decision of a Territorial Health Insurance Fund.

CHAPTER VII
ADDITIONAL/VOLUNTARY HEALTH INSURANCE
Article 42. Additional/Voluntary Health Insurance Institutions

Additional/voluntary health insurance institutions shall be insurance companies which, in accordance with the procedure laid down by legal acts, have been issued a licence to engage in such health insurance activities.

Article 43. Insured Events of the Additional/Voluntary Health Insurance

1. Insured events of the additional/voluntary health insurance shall be the application by an insured person to a health care institution with regard to health disorders and/or health conditions identified in additional/voluntary health insurance contracts and diagnosed by a medical doctor, where such health disorders and conditions give the reason for providing the insured person with personal health care services of the type and scope defined by these contracts. The costs of these services shall be covered by the insurer under the terms and conditions laid down in additional/voluntary health insurance contracts.

2. The additional/voluntary health insurance shall also cover the expenses of health care services and of subsidised medicines, which are not covered from the budget of Compulsory Health Insurance Fund, the state or municipal budget. The additional/voluntary insurance may also cover that part of the health care services or costs of subsidised medicines which is not covered from the budget resources of the Compulsory Health Insurance Fund, the state or municipal budgets.

Article 44. Additional/Voluntary Health Insurance Contracts

The additional/voluntary health insurance shall be based on contracts between the policyholder and the insurer. The rules of conclusion and execution of such contracts shall be laid down by the Government. A policyholder may be a legal or natural person.

Article 45. Additional/Voluntary Health Insurance Funds

Additional/voluntary health insurance funds shall consist of voluntary/additional contributions of legal and natural persons to insurance companies providing the voluntary/additional health insurance.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.
Annex to
the Law of the Republic of Lithuania
on Health Insurance

LEGAL ACTS OF THE EUROPEAN UNION IMPLEMENTED BY THIS LAW

