PROCLAMATION NO. 690/2010.
A PROCLAMATION TO PROVIDE FOR SOCIAL HEALTH INSURANCE

WHEREAS, expansion of health service coverage plays a significant role to an accelerated socio-economic development of the country;

WHEREAS, cost sharing between beneficiaries and government in the health sector is critical to achieve universal health care coverage;

WHEREAS, social health insurance is one of the sustainable health care financing mechanisms which enhances equitable access to improved health services through cross-subsidization;

NOW, THEREFORE, in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia it is hereby proclaimed as follows:

PART ONE
GENERAL

1. Short Title
This Proclamation may be cited as the “Social Health Insurance Proclamation No.690 /2010.”

2. Definitions
In this Proclamation, unless the context otherwise requires:
1/ "employer" means a public office, a public enterprise or any person that employs at least ten employees;

2/ "employee" means any employee having a three month and above period of service and includes public officials, management staff, judges, prosecutors, members of the police, members of the House of Peoples’ Representatives, salaried members of the House of the Federation and salaried labor union officials, and may not include members of the Defense Forces;

3/ "pensioner" means any person receiving monthly pension payments from the Social Security Agency and includes survivors of a pensioner;

4/ "health facility" means any health facility that have concluded an agreement with the Agency to provide services for beneficiaries;

5/ "member" means a person registered for the social health insurance scheme and paying contribution to the scheme;

6/ "salary" means the monthly remuneration paid to an employee for the service he renders during regular working hours;

7/ "beneficiary" means a person entitled to receive the benefit packages under the social health insurance scheme;

8/ "child" means the natural, adopted or stepchild of a member who has not attained the age of 18 years and includes any child who is under the guardianship of the member in accordance with the law;

9/ "spouse" means a person married to a member;

10/ "family" comprises the spouse and children of a member and includes mentally or physically impaired children of the member who have attained the age of 18 years but cannot sustain themselves;
"health service package" means health services covered by the social health insurance scheme;

12/ “Agency” means an agency established by regulation to be issued by the Council of Ministers for the implementation of this Proclamation;

13/ “person” means any natural or juridical person;

14/ any expression in the masculine gender includes the feminine.

PART TWO
SOCIAL HEALTH INSURANCE SCHEME

3. Establishment

A social health insurance scheme is hereby established.

4. Objective

The objective of the social health insurance scheme shall be to provide quality and sustainable universal health care coverage to the beneficiary through pooling of risks and reducing financial barriers at the point of service delivery.

5. Membership

1/ Employees and pensioners shall be members of the social health insurance scheme.

2/ Every employer shall get registered all its employees with the Agency for the social health insurance scheme.

3/ The Social Security Agency shall get registered all pensioners with the Agency.

4/ The Agency shall provide guidelines on registration of members.
6. **Sources of Finance**

The social health insurance scheme shall have the following sources of finance:

1/ members’ contributions;
2/ employers’ contributions;
3/ investment income; and
4/ other related sources.

7. **Beneficiaries**

1/ Beneficiaries of the social health insurance scheme shall be members and their families.
2/ Any member shall have the obligation to provide accurate information about his family composition and use the service properly.

8. **Health Service Package**

1/ The health service package to be provided to beneficiaries shall include essential health services and other critical curative services.
2/ The particulars of the health service package referred to in sub-article (1) of this Article shall be determined by regulation taking into consideration the contributions to be collected pursuant to Article 9 of this Proclamation.

9. **Contributions**

1/ Members and employers shall contribute to the social health insurance. The Government shall also make additional contributions for pensioners.
2/ The amount and payment modality of contributions to be made pursuant to sub-article (1) of this Article shall be determined by regulation to be issued for the implementation of this Proclamation, provided, however, that an employee and employer shall make equal percentage contributions based on the salary of the employee.
3/ Any employer shall withhold the contributions of employees from their monthly salaries and timely transfer the same to the Agency together with its own matching contributions.

4/ The Social Security Agency shall transfer to the Agency the monthly contributions of pensioners together with the matching contributions of the government.

5/ Any pensioner who is re-employed without foregoing his monthly pension allowance shall be considered as an employee for the purpose of this Article.

6/ Any employer shall furnish the Agency with particulars regarding each employee’s salary and other related information as may be required by the Agency.

**PART THREE MISCELLANEOUS PROVISIONS**

10. **Power to Issue Regulation**

The Council of Ministers may issue regulations necessary for the implementation of this Proclamation.

11. **Inapplicable Laws**

1/ No law, regulation, directive or practice shall, in so far as it is inconsistent with this Proclamation, be applicable in respect of matters provided for by this Proclamation.

2/ Notwithstanding the provisions of sub-article (1) of this Article, this Proclamation shall not affect:

a) additional medical benefits granted under collective agreements concluded in accordance with the Labour Proclamation No. 377/2003; and

b) additional medical benefits granted by police health institutions to members of the police.
12. **Effective Date**

This Proclamation shall come into force a year after its publication in the Federal Negarit Gazeta.

Done at Addis Ababa, this 19th day of August, 2010

GIRMA WOLDEGIORGIS

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA