

Title:

National Health Insurance Notice for Enforcing Fines as Provided in the National Health Insurance Act (July 19, 2013)

- I. This Notice is established for the Insurer to implement matters related to fines as specified in the National Health Insurance Act (hereinafter referred to as the Act).

- II. According to the provisions regarding the fines in the Act, the Insurer shall fill out the National Health Insurance Administration Disciplinary Notice of Penalty and send it to the party concerned. It shall be sent first to his/her contact address as found in the Insurer's records, and then to his/her residence.
National Health Insurance Administration Disciplinary Notice of Penalty shall include the following details:
 - (I) Full name, date of birth, gender, national ID number, and residence of party concerned; or, if the party concerned is a legal personality or an organization with representatives, the name, agency or office of operation, code of the insurance applicant unit (or code of the medical care institution), and full name, date of birth, gender, national ID number, and residence of the manager or representative.
 - (II) Subject, fact, reason, and its legal basis.
 - (III) Fines shall be paid within 15 days starting from the next day after the delivery of the disciplinary notice. In the event of failure to do so, the Insurer may refer the case to the court for compulsory execution under the law.
 - (IV) Regarding cases of those who are consecutively punished and required to improve within a specific time period in accordance with the Act, the content and deadline of improvement, documents required to certify completion of improvement, and relevant regulations for each consecutive punishment for those who have not improved within the deadline shall be specified.
 - (V) Should the party concerned disagree with the facts specified in the disciplinary notice, he/she may apply for administrative aid in accordance with Article 6 of the Act within 60 days after the notice is delivered.

- III. Insurance applicant units which fail to process enrollment procedures on behalf of the Insured or his/her dependents within three days from the date on which the Insured meet the conditions of enrollment; or insurance applicant units

which fail to bear the premiums for the Insured and his/her dependents and let the Insured bear the premiums, shall, upon the first time being discovered by the Insurer, be fined an amount equivalent to two times of payable premiums; upon being discovered by the Insurer for the second time, the applicant unit shall be fined an amount equivalent to three times of payable premiums; upon being discovered by the Insurer for the third time and each additional time, the applicant unit shall be fined an amount equivalent to four times of payable premiums.

- IV. If the Insured, in violation of the provision of the Act, has not enrolled in the NHI, the Insurer will, in accordance with Article 91 of the Act, process re-enrollment retroactively from the date on which the Insured is qualified for insurance. If the Insured fails again to comply with the Act and enroll in the NHI, he/she shall be fined NT\$3,000 for the first violation; NT\$6,000 for the second violation; NT\$9,000 for the third violation; NT\$12,000 for the fourth violation; NT\$15,000 for the fifth and each additional violation.
- V. If the Insured violates the order of enrollment as specified in Article 11 of the Act when enrolling in the NHI, the Insurer will issue a supervision notice. If the Insurer fails to implement the correction as instructed in the notice within two months after the notice is delivered, he/she shall, in addition to paying the short-term insurance premium for the previous five years, be liable for punishments according to the following criteria:
 - (I) Implementation overdue for less than one month shall be liable for a fine of NT\$3,000.
 - (II) Implementation overdue for one month or longer shall be fined an additional NT\$1,000 every three additional months, for a total of up to NT\$15,000.
- VI. If, upon occurrence of an incident under coverage to the Insured, a contracted medical care institution fails to provide proper medical service based on their specialties and facilities or assist in referral or without reason refuses medical care due to the status of the Insured, it shall be fined NT\$20,000 for the first violation; NT\$50,000 for the second violation; and NT\$100,000 for the third violation and each violation thereafter.
- VII. Contracted medical care institutions which claim benefits for medical expenses through improper conduct or by making false certifications, reports, or

statements, shall be fined according to the following standards:

- (I) Contracted medical care institutions which, in violation of the contract, claim benefits for medical expenses amounting to 25,000 points or lower shall be fined an equivalent to two times the benefits claimed.
- (II) Contracted medical care institutions which, in violation of the contract, claim benefits for medical expenses amounting to more than 25,000 but less than 50,000 points shall be fined in the amount of five times the benefits claimed.
- (III) Contracted medical care institutions which, in violation of the contract, claim benefits for medical expenses in excess of 50,000 points and are not involved in severe circumstances as stipulated in the Regulations Governing the Contracting and Management of NHI Contracted Medical Care Institutes shall be fined in the amount of ten times the benefits claimed.
- (IV) Those who are involved in severe circumstances as stipulated in the Regulations Governing the Contracting and Management of NHI Contracted Medical Care Institutes shall be fined in the amount of fifteen times the benefits claimed.
- (V) Those who meet the criteria of disqualification as stipulated in Article 5, Paragraph 1 of the Regulations Governing the Contracting and Management of NHI Contracted Medical Care Institutes shall be fined in the amount of twenty times the benefits claimed.

VIII. Contracted medical care institutions which acknowledge breach of contract in writing or in the records of the interview and express willingness to pay relevant medical expenses and fines when being interviewed by the Insurer, may pay reduced fines of half the amount but no less than two times the benefits gained through breach of contract as provided in the preceding paragraphs.

IX. The maximum amount of fines mentioned in the two preceding paragraphs may not exceed two times the average monthly medical expenses, or the medical expenses of medical departments, service categories, or full or partial outpatient and inpatient care receiving punishment, which are declared by the medical care institution within one year to the date the Insurer issues the first disciplinary notice. However, those who falsely declare medical expenses which are greater than the medical care institution's average monthly medical expenses, or greater than the medical expenses of medical departments, service categories, or full or partial outpatient and inpatient care receiving punishments,

within the previous year, are subject to fines in the amount of two times the declared amount.

- X. If the Insured receives insurance payment or applies for reimbursement of medical expenses by improper conduct or false proof, report or statement, he/she shall be fined in the amount of two times the benefits claimed or reimbursement received for the first instance of such misconduct; in the amount of five times the benefits claimed or reimbursement received for the second instance; in the amount of ten times the benefits claimed or reimbursement received for the third instance; in the amount of twenty times of benefits claimed or reimbursement received for the fourth instance and each instance thereafter. The amount of the aforementioned fine may not exceed NT\$1 million.

- XI. If the Insured payroll-related amount of the Insured in Category 1 declared by the insurance applicant unit for the Insured is less than the regulated insured payroll-related amount, the Insurer will issue a notice upon discovery. If the unit verifies and corrects the Insured payroll-related amount as instructed within three months after the notice is delivered, a fine in the amount of two times the premium deferential shall be imposed. If the unit implements this only after a second reminder by notice, it shall be fined in the amount of three times the premium deferential. If the unit still refuses to do so after the second reminder by notice and is referred by the Insurer upon discovery shall be fined in the amount of four times the premium deferential.

- XII. If the Insured in Categories 2 and 3 declares the Insured payroll-related amount that is less than the regulated insured payroll-related amount, a fine in the amount of two times the payment of premium differential shall be imposed in addition to the payment of premium differential:

- XIII. If the insurance ward of a contracted hospital is established to be in violation of the criteria specified in Article 67 of the Act, a fine of NT\$10,000 will be imposed for the first violation, along with an order to make improvements within three months. Failure to improve shall be liable for further fines in the amount of an additional NT\$20,000 for each failure. However, the maximum amount of each fine is NT\$50,000.
If the contracted hospital fails to attain the criteria and the specified ratio of the insurance ward to the total number of hospital wards in violation of the

provision in Article 67 of the Act, it shall be penalized according to the following criteria and make improvements within the specified time period. In the event that the hospital fails to make such improvements, a fine will be imposed for each such failure:

- (I) If the shortage of the required ratio does not reach 5%, a fine of NT10,000 per bed short shall be imposed along with an order to make improvements within three months.
- (II) If the shortage of required ratio reaches 5% but is less than 10%, a fine of NT30,000 per bed short shall be imposed along with an order to make improvements within three months.
- (III) If the shortage of required ratio is 10% or higher, a fine of NT50,000 per bed short shall be imposed along with an order to make improvements within three months.

If the insurance wards of a contracted hospital cannot be immediately improved due to hardware limitations, and an improvement plan for the hardware that can attain the specified ratio of the insurance ward is submitted to the Insurer, punishment will temporarily not be administered. However, if the expected improvement is still inconsistent with the provisions of Article 67 of the Act after the deadline, punishment shall be administered from the deadline onwards in accordance with the provisions of the preceding two paragraphs.

XIV. The Insured, insurance applicant units, the premium withholders, and contracted medical care institutions which, in violation of the provisions of Article 80, Paragraph 1 of the Act, refuse to provide or relevant documents such as account records, receipts, medical records, diagnosis records, and cost of medical expenses, or other relevant information when competent authorities review insurance disputes or when the Insurer handles various insurance matters, shall be fined NT\$20,000. Those who evade or obstruct interviews and inquiries shall be fined NT\$50,000. Those who make false certifications, reports, or statements shall be fined NT\$100,000.

XV. Contracted medical care institutions which, in violation of Article 75, Paragraph 1 of the Act, have not signed contracts or have violated the rule set by the competent authority according to Article 75, Paragraph 2 of the Act regarding what and what not to record shall be fined NT\$20,000 for the first violation, NT\$50,000 for the second violation, and NT\$100,000 for the third violation and each violation thereafter.

XVI. The Insured, insurance applicant units, the premium withholders and contracted medical care institutions which violate the provisions of the Act shall be fined based on the amounts or the multipliers set in this Notice. However, if a case which is not fined in the maximum amount as specified in the Act involves severe violations, the fine amount may still be increased to the maximum as specified in the Act, provided that the reason(s) for the increased severity of punishment are explained in the disciplinary notice.

XVII. Fines collected in accordance with the provisions in the Act shall be paid to the National Treasury, and the Insurer shall fill out the Statement of Payment.