

Health Service Act

No. 40/2007

SECTION I

Scope, policymaking and definitions

Art. 1

Scope and objectives

This Act applies to the organisation health care. Its objective is that all people of Iceland shall have access to the optimum health service which it is possible to provide at any time in order to safeguard mental, physical and social health in accord with the provisions of this Act, the Social Security Act, the Patients' Rights Act and other legislation as applicable.

Art. 2

Authority

Health affairs are under the authority of the Minister of Health and Social Security.

Art. 3

Policymaking

The Minister formulates policy on health services within the framework of this Act. The Minister may apply necessary measures in order to implement such policy, with respect to organisation of health services, prioritisation of tasks within the service, the efficiency, quality and security of the service, and access to it.

In organisation of health service, the aim shall invariably be to provide the service at the appropriate level of the service, and that the primary-care level shall normally be the patient's starting-point.

Art. 4

Definitions

In this Act the following terms shall have the following meanings:

1. *Health service*: All forms of primary healthcare, medical care, nursing, general and specialised hospital care, transport of patients, medical-aids service, and service from health personnel within and outside healthcare facilities provided in order to promote health, to prevent, diagnose or treat illness, and to rehabilitate patients.
2. *General health service*: Primary healthcare, service and nursing at nursing homes and nursing facilities of institutions, and general hospital service.
3. *Specialised health service*: Health service other than general health service under item 2.
4. *Primary healthcare*: General medical care, nursing, health protection and preventive medicine, emergency and casualty treatment and other health services provided by healthcare centres.
5. *General hospital service*: General internal medicine, nursing, casualty care, rehabilitation and necessary support services.
6. *Specialised hospital service*: Hospital service other than general hospital service under item 5.
7. *Healthcare practitioner*: Person working in health services, licensed by the Minister of Health and Social Security to use to the professional title of a legally-recognised health profession.
8. *Healthcare facility*: An institution where health service is provided.
9. *Nursing facility*: Facilities at a nursing home or hospital where nursing is provided for those who require care and treatment which can be provided outside a hospital.
10. *University hospital*: A hospital which provides services in almost all recognised fields of medicine and nursing, with emphasis on research,

development and teaching. The hospital is in close collaboration with a university which carries out teaching and research in medicine and most other fields of health sciences, and as applicable with secondary schools. Hospital personnel who meet the university's standards of competence are employed both at the hospital and at the university, or have other professional ties with the university. Treatment of patients, tuition and research are combined in the daily work of the hospital.

11. *Teaching hospital:* A hospital which provides services in the principal specialist fields of medicine and nursing and has ties with a university which carries out tuition and research in medicine and other fields of health sciences, and with secondary schools as applicable. Hospital personnel involved in tuition and research work closely with the university faculties connected with the hospital.
12. *Premises of self-employed healthcare practitioner:* Facilities of self-employed healthcare practitioner, where health services are provided with or without State contribution to costs.

SECTION II

Organisation of health services

Art. 5

Health regions

The country shall be divided into health regions, and the division shall be determined in regulations. Healthcare facilities which provide general health service in each region shall collaborate on the organisation of health services in the region. The Minister can, after consultation with the relevant local governments and the Association of Local Authorities, decide to merge healthcare facilities within the health region, by regulations.

Notwithstanding the division of the country into health regions, patients shall normally have the right to attend the healthcare centre or healthcare facility most accessible to them at any time.

Art. 6

General health services

In each health region a healthcare facility or healthcare facilities shall operate which provide general health services in the region.

The Minister can by Regulations determine more precisely the activities of healthcare facilities in each region, and the health services provided there.

Art. 7

Specialised health services

Specialised health services shall be provided at Landspítali University Hospital and Akureyri Hospital and other hospitals and healthcare facilities as determined by the Minister or by contracts made in accord with the provisions of Section VII.

Other specialised health services shall be provided at specialised healthcare facilities and other healthcare facilities as determined by the Minister or on the basis of contracts under Section VII.

At premises of self-employed healthcare practitioners, specialised health services are provided as applicable in accord with contracts made under the provisions of Section VII.

SECTION III

Management of healthcare facilities

Art. 8

Scope

The provisions of this section apply to healthcare facilities run by the State. The provisions of arts. 10 and 12, however, apply also to healthcare facilities operated on the basis of an agreement under Section VII, as may be applicable.

Art. 9

Chief executives of healthcare facilities

Chief executives of healthcare facilities are appointed by the Minister for a period of five years at a time. A chief executive shall have a university qualification and/or experience of management and administration which is useful in his/her work.

The Minister shall appoint a committee of three persons for a term of four years to evaluate the qualifications of applicants for posts of chief executive of a healthcare facility. The members of the committee shall have knowledge of management, human resources, administration and health services. No person may be appointed to such a post unless deemed qualified by the committee.

The Minister issues a document of appointment to chief executives of healthcare facilities, which shall state the principal objectives in the services and operations of the facility, and its short-term and long-term tasks.

The chief executive is responsible for the facility he/she manages operating in accord with law, government instructions, and the letter of appointment under para. 3. The chief executive is responsible for the service provided by the facility, for the operating expenditure and performance of the facility being in accord with the Budget, and for effective use of funding.

Chief executives of healthcare facilities appoint staff to the facility. Staff in management positions may be appointed temporarily for up to five years.

Art. 10

Professional management

Healthcare facilities shall have a medical director, a nursing director, and as applicable other directors of professional fields, who are answerable in their respective professional fields to the chief executive for the services provided at the facility.

Heads of specialist medical fields or of specialist departments within a healthcare facility are answerable in their professional field for medical services under their authority, to the medical director or to their immediate superior according to the facility's organisation chart.

Departmental heads of nursing at healthcare facilities are answerable in their professional field for the nursing services under their authority to the director of nursing or to their immediate superior according to the healthcare facility's organisation chart.

Other administrators in professional fields within a healthcare facility are responsible in their professional field for the services they provide, and under their authority, in accord with their position in the facility's organisation chart.

Art. 11

Organisation charts of healthcare facilities

The chief executive of the healthcare facility shall in consultation with the executive board make a proposal for the facility's organisation chart, which shall be submitted to the Minister for approval.

Art. 12

Executive boards of healthcare facilities

A three-person executive board shall operate at a healthcare facility, under the direction of the chief executive. The director of medicine and director of nursing, and as applicable other directors of professional fields, shall appoint the members of the

executive board, together with the chief executive. An executive board may comprise more than three people if the facility's organisation chart so provides.

Before the chief executive makes important decisions regarding the facility's services and operations, he/she shall discuss the matter in the forum of the executive board, and seek the advice and views of the board members.

The executive board shall call information/consultation meetings with the staff of the facility as necessary, and at least once a year.

Executive boards of healthcare facilities in health regions and those of Capital Area Primary Health Care shall seek to keep local government and users of services in the region informed of the activities of their facilities, and consult with them as necessary.

Art. 13

Professional boards

In university hospitals and teaching hospitals, a medical board and nursing board shall operate, and as appropriate other professional boards. Such boards may operate in other healthcare facilities.

Physicians, nurses and other healthcare practitioners employed at a healthcare facility may establish a single combined professional board.

Professional boards, including medical and nursing boards where they exist, shall advise the chief executive and the executive board on matters in their professional fields in the operation of the healthcare facility. The views of professional boards must be elicited with respect to important decisions concerning the health service provided at the facility, including, as applicable, the opinion of the medical board on medical services, and that of the nursing board on nursing services.

Professional boards shall formulate their rules of procedure, which shall be confirmed by the chief executive.

SECTION IV

General health services

Art. 14

Healthcare facilities in health regions

In each health region one or more healthcare facility shall operate, which shall operate healthcare centres and regional hospitals which provide general health services in the region.

Healthcare facilities as provided in para. 1 may undertake tuition of healthcare professionals on the basis of agreements with educational institutions, teaching hospitals or university hospitals.

Art. 15

Capital Area Primary Healthcare

Capital Area Primary Care provides primary care in the health region of the capital area.

Capital Area Primary Care shall undertake tuition of health professionals on the basis of agreements with universities and other educational institutions, university hospitals or teaching hospitals, and shall carry out scientific research in the field of primary healthcare.

Art. 16

Nursing homes and nursing facilities

In nursing facilities of regional hospitals, cp. para. 1 art. 14, and in nursing homes or nursing facilities of old people's homes, nursing services shall be provided for those who have been deemed in need of care in a nursing facility, cp. the provisions of the Elderly People Act.

Art. 17

Healthcare centres.

Healthcare centres provide primary healthcare.

Chief executives and executive boards of healthcare facilities shall consult with the head physician and head nurse of a healthcare centre when matters specifically concerning the centre are to be decided.

The Minister shall make further provision in regulations for the operation of healthcare centres and the services they are to provide.

Art. 18

Regional hospitals

Regional hospitals shall provide general hospital care, *inter alia* in outpatient departments as appropriate. In connection with these, nursing facilities shall also normally be provided. Regional hospitals shall normally provide obstetric care, provided that professional standards are met, and other health services which the hospital has been assigned to provide, or which have been agreed in accord with the provisions of Section VII, provided that the hospital meets professional standards for providing that service.

At healthcare facilities which provide both general hospital care and primary healthcare, both activities shall be combined, and staff shall be appointed to work in both fields as applicable.

The Minister may make further provision in regulations on the activities and services of regional hospitals.

SECTION V

Specialised health services

Art. 19

Providers of specialised health services

Specialised health service is provided at Landspítali University Hospital, Akureyri Hospital, specialised healthcare facilities, other healthcare facilities and at the premises of self-employed healthcare practitioners, cp. art. 7.

Art. 20

Landspítali University Hospital

Landspítali University Hospital is Iceland's main hospital and a university hospital. It provides specialised hospital services, *inter alia* in outpatient departments, for all the people of Iceland, and general hospital care for the residents of the Capital Area Primary Health Care region. Its role is to:

1. provide health service which is consistent at any time with the obligations of such a hospital, *inter alia* specialist service in almost all recognised fields of medicine, nursing and, as applicable, other fields of health sciences practised in Iceland, with access to support departments and research departments,
2. carry out clinical training of university students, and of secondary-school students in healthcare studies, in undergraduate and postgraduate study,
3. carry out scientific research in the field of health,
4. provide university-educated staff with specialist training in health fields,
5. enable professionals to pursue scholarly work at the University of Iceland or other universities, and provide university staff with facilities to pursue research and other work at the Hospital,
6. operate a Blood Bank, which provides blood-bank services on a nationwide basis.

The Minister shall appoint nine people, and an equal number of alternates, to the Landspítali University Hospital's Advisory Board for a term of four years. The

Advisory Board shall provide the chief executive and executive board with advice and opinions on the Hospital's services, activities and operations. The board shall *inter alia* consider the Hospital's annual working plan and budget, and its long-term policy. The board shall comprise *inter alia* representatives of the users of the hospital's services. The chair shall, in consultation with the chief executive, call information/consultation meetings as deemed necessary, and not less than twice a year.

Landspítali University Hospital and the University of Iceland shall conclude an agreement on collaboration, which is to make provision for the right of University representatives to attend meetings of the executive board. Landspítali University Hospital and the University of Iceland shall formulate rules of procedure with respect to staff who have obligations to both bodies. These rules shall be confirmed by the Minister, and made public.

Landspítali University Hospital may, with the Minister's consent, be a party in research and development companies which are corporations, non-profit institutions or limited-liability companies, which carry out production and sales with the objective of utilising and developing the findings of research performed by the Hospital at any time. Landspítali University Hospital's assets in such companies are managed by the chief executive of the Hospital.

The Minister may make further provision in regulations for the activities of Landspítali University Hospital and the services it must provide.

Art. 21

Akureyri Hospital

Akureyri Hospital is a teaching hospital. It provides specialised hospital services, *inter alia* at outpatient departments, for the people of Iceland, and general hospital services for its health region. Its role is to:

1. provide health service which is consistent at any time with the obligations of such a hospital, *inter alia* specialist service in the principal fields of medicine, nursing and, as applicable, other fields of health sciences practised in Iceland, with access to support departments and research departments,

2. carry out clinical training of university students in the health sciences at the University of Akureyri,
3. participate in clinical training of other university students and secondary-school students in undergraduate and postgraduate studies, in collaboration with Landspítali University Hospital, the University of Iceland and other healthcare facilities and educational institutions,
4. carry out scientific research in the field of health,
5. enable professionals to pursue scholarly work at the University of Akureyri or as applicable other universities,
6. be a back-up hospital for Landspítali University Hospital.

Akureyri Hospital may, with the consent of the Minister, be a party in research and development companies which are corporations, non-profit institutions or limited-liability companies, which carry out production and sales with the objective of utilising and developing the findings of research performed by the Hospital at any time. The Hospital's assets in such companies are managed by the chief executive of the Hospital.

The Minister may make further provision in regulations for the activities of Akureyri Hospital and the services it must provide.

Art. 22

Specialised healthcare facilities

Specialised healthcare facilities are those healthcare facilities which provide specialised health services and operate under the provisions of special legislation, according to a decision of the Minister, or under an agreement as provided in Section VII.

The Minister can make further provision in regulations for the activities of specialised healthcare facilities operated by the State or under an agreement as provided in Section VII.

The Minister may grant hospitals and other specialised healthcare facilities operated by the State the authority to organise health service on a private basis for individuals

not covered by health insurance, who come to Iceland specifically to undergo a certain procedure or treatment, provided that this does not impair the mandated services provided by the facility. Fees charged for health service to those not covered by health insurance under this provision are subject to the provisions of para. 3 art. 34.

SECTION VI

Quality of health service

Art. 23

Scope

The provisions of this Section on professional standards for health services, and monitoring of such services, apply to health services provided in Iceland, regardless of whether the service is provided by the State or other parties, with or without State contribution to costs. Monitoring of health services by the Medical Director of Health is also subject to the Medical Director of Health Act.

Art. 24

Professional standards for operation of health services

The Minister shall, having received proposals from the Medical Director of Health and after consultation with the relevant health professions, make provision in regulations for the minimum professional standards to apply to operation of health services in individual fields. The regulations shall be based upon knowledge and circumstances at any time, and shall be regularly revised. The regulations shall specify *inter alia* minimum standards of manning, accommodation, facilities and equipment or operation of health service.

Art. 25

Monitoring of professional standards of health services

The Medical Director of Health monitors health services' compliance with professional standards for operation of a health service and with health legislation at any time. Should the Medical Director of Health be of the view that a health service does not meet the professional standards under art. 24 or other requirements of health legislation, he/she shall instruct the operator of the service to make improvements. Should the operator not comply with such instructions, the Medical Director of Health must report on the matter to the Minister, and submit proposals on measures. The Minister may then decide to halt the operation, either temporarily pending rectification, or permanently.

Art. 26

Conditions for operation of health services

Those who intend to commence operation of a health service, including the State or a local government, shall notify the Medical Director of Health of the planned operation. The notification shall be accompanied by adequate information on the operation, such as the type of health service, personnel, equipment and premises. The Medical Director of Health can request further information, and carry out an assessment of the prospective operation, if he/she deems necessary. By the same token the Medical Director of Health shall be notified if major changes are made to manning, equipment, operations and services of operators. Should operation of a health service cease, this shall be notified to the Medical Director of Health.

The Medical Director of Health confirms whether the prospective operation of a health service meets professional standards and other conditions of health legislation. The same applies when the Minister renews contracts with healthcare facilities. Operations in the field of health services may not be commenced unless the Medical Director of Health has given confirmation. The Medical Director of Health may impose stricter requirements if deemed necessary due to the nature of the operations in question. Confirmation from the Medical Director of Health is also required for major changes under para. 1.

Should the Medical Director of Health refuse to grant confirmation under para. 2, the refusal may be appealed to the Minister. The same applies to a decision of the Medical Director of Health to impose stricter requirements under para. 2. However, in the case of a health service which the State intends to operate, the Minister always has the power to rule on whether legal requirements and professional standards are met.

The Medical Director of Health maintains a register of operating parties in health service, and he/she shall notify the Minister of all changes to the register.

The Minister may make further provision in Regulations for the conditions for operation of a health service in specific fields, the practice of monitoring, etc.

A fee may be charged for an assessment by the Medical Director of Health under para. 1 and for his/her confirmation that professional standards are met under para. 2, as further provided in Regulations by the Minister.

Contributions by the State to the cost of health services provided outside healthcare institutions operated by the State is contingent upon an agreement having been reached between the operator and the State as provided in Section VII, unless a unilateral decision on contribution to costs has been made by the Minister, based upon authority provided in other legislation.

Art. 27

Recording of unforeseen incidents

Healthcare facilities, self-employed healthcare practitioners and others who provide health services shall maintain a register of unforeseen incidents, for the purpose of seeking explanations for them and seeking ways of ensuring that they do not recur. An unforeseen incident is defined as an accident, error, negligence or other unforeseen incident which has harmed or could have harmed a patient. The practice of maintaining such a register is subject to the provisions of the Medical Director of Health Act.

SECTION VII

Contracts on health services

Art. 28

Minister's right to contract

The Minister acts on behalf of the State to negotiate contracts on provision of health services, and the State's contribution to costs. The Minister appoints a committee which negotiates contracts on health services on his/her behalf, as further determined by him/her.

Art. 29

Contracts on health service and contributions to costs

Contracts on health service shall be concluded in accord with policies under art. 3, *inter alia* on organisation of health services, prioritisation of tasks within the service, the efficiency, quality and security of the service, and access to it. Contracts shall state *inter alia* the quantity and type of service, where it is to be provided, and by whom. With respect to evaluation of the cost-effectiveness of services of institutions, companies and self-employed healthcare practitioners, account shall be taken of all the costs accruing from the operations for which a contract is made. In negotiations efforts shall be made to ensure access for all people of Iceland to the health service for which the contract is made, regardless of where they live.

Should the supply of a certain health service exceed the need, or exceed the amount for which contracts can be made in view of available funding, the Minister may, on the basis of objective and substantive factors, *inter alia* with respect to the cost-effectiveness and quality of the service, restrict contracts to only some of the parties able to provide the service.

A party who intends to launch operation of an independent health service where it is presumed that the State will meet part or all of the patients' costs shall have concluded a contract with the Minister or his/her negotiating committee before

commencing operations, unless the Minister has made a unilateral decision on contributions to costs based on authority in other legislation.

The Minister may make further provision in Regulations regarding premises for contracts on State contributions to costs of health services provided outside State-run healthcare facilities, in accord with policy under art. 3, and for such contributions to be restricted to evidence-based treatments in the field of health services.

Art. 30

Contracts on performance or operation

The Minister may contract with local governments, or other parties than those responsible for operating health services under this Act, on performance and operation of certain aspects of the health services to be provided under this Act. The Minister also makes work contracts and contracts on operational projects as provided in the Government Financial Reporting Act.

The Minister may contract out the operation of health services, and purchase of health service, under this Act.

Art. 31

Healthcare facilities' contracts

State-run healthcare facilities may conclude contracts on specific aspects of operations as provided in the Government Financial Reporting Act.

Healthcare facilities which provide general health services and are run by the State may, with the Minister's consent, assign other healthcare facilities or self-employed healthcare practitioners to provide certain aspects of the health services they are to provide under this Act, by a contract.

Landspítali University Hospital, Akureyri Hospital and other specialised healthcare facilities run by the State may, with the Minister's consent, conclude contracts with other healthcare facilities or self-employed healthcare practitioners for certain aspects

of the specialised health service which they are to provide, to be provided at the relevant healthcare facility or the premises of self-employed healthcare practitioners.

SECTION VIII

Various provisions

Art. 32

Division of costs between local and national government

The costs of construction of hospitals and healthcare centres, and equipment for them, is paid by the Treasury. The contribution of local governments to costs of construction of nursing homes and their equipment shall be 15% of the foundation costs. Major maintenance and purchase of equipment are deemed to be foundation costs. General maintenance costs of property and equipment are not deemed to be foundation costs.

Local governments provide land for buildings under para. 1, including residential buildings intended for personnel, without cost to the Treasury, and without payment of street-building fee or land rental.

The ownership share of each party shall be in accord with the share of the costs under para. 1. Neither party has any right to demand rental from the other due to ownership or part-ownership.

The Minister can make further provision in regulations, after consultation with the Association of Local Authorities, on what shall be deemed major maintenance under para. 1.

Art. 33

Transport of patients

The Minister issues regulations on the practice and organisation of transport of patients.

Art. 34

Fees for health services

For the following health services, to which individuals covered by health insurance under the Social Security Act are entitled by law or under agreements in accord with Section VII, fees may be charged under Regulations issued by the Minister:

1. Primary healthcare provided at healthcare centres. No fees may be charged, however, for antenatal care or infant care at healthcare centres or for primary healthcare in schools.
2. General and specialised health services at outpatient, emergency and casualty units of hospitals, provided without admission to the hospital.
3. House calls by a primary healthcare physician. Fees for house calls shall be higher outside normal working hours.
4. Cancer screening.
5. Medical certificates.
6. Services of self-employed healthcare practitioners with whom a contract has been made under the provisions of Section VII. The fee for the services of self-employed healthcare practitioners may be a proportional payment, and the maximum may be specified in regulations.
7. Clinical tests.
8. Transport of patients.

Those who are not covered by health insurance in Iceland under the Social Security Act shall pay a fee equivalent to the cost of the service provided, in accord with a list of rates issued by the Minister, unless services to nationals of their state are covered by an agreement.

Those healthcare facilities which have been authorised by the Minister to provide health services on a private basis to individuals not covered by health insurance under

para. 3 art. 22 may charge a higher fee for the service than the cost of providing the service. This applies unless otherwise entailed by agreements to provide service to nationals of the non-insured person's state.

Fees for health services are otherwise subject to the provisions of special legislation and the Social Security Act, as applicable.

Art. 35

Medical Appointments Committee

The Minister appoints three physicians to a committee, on nomination from the Icelandic Medical Association, the University of Iceland and the Medical Director of Health, to evaluate the professional qualifications of applicants for posts of medical director and other medical administration posts at State-run healthcare facilities. The committee member nominated by the Medical Director of Health shall chair the committee. Alternates shall be appointed in the same manner. The committee shall be appointed for a term of three years.

The committee shall submit a well-grounded opinion to the appointing body within six weeks from the deadline for applications.

Under this article any physician who has been deemed qualified may be appointed.

The Minister issues rules of procedure for the Medical Appointments Committee, having received its proposals for rules.

Art. 36

Nursing Directors' Appointments Committee

The Minister appoints three nurses to a committee, as nominated by the Icelandic Nurses' Association, the University of Iceland and the Medical Director of Health, to evaluate the professional qualifications of applicants for posts of nursing directors at State-run healthcare facilities. The committee member nominated by the Medical Director of Health shall chair the committee. Alternates are appointed in the same manner. The committee shall be appointed for a term of three years.

The committee shall submit a well-grounded opinion to the appointing body within six weeks from the deadline for applications.

Under this article any nurse who has been deemed qualified may be appointed.

The Minister issues rules of procedure for the Nursing Directors' Appointments Committee, having received its proposals for rules.

Art. 37

Regulations

The Minister may make further provision in Regulations on the implementation of this Act.

Art. 38

Entry into force

This Act takes effect on 1 September 2007. When this Act takes effect, the Health Service Act no. 97/1990 with subsequent amendments is rescinded. Act no. 21/1955, on visits by medical personnel to remote areas, is also rescinded.

Art. 39

Amendments to other legislation

When this Act takes effect, the following amendments are made to other legislation:

A new clause is added to art. 14 of the Elderly People Act no. 125/1999 with subsequent amendments, worded as follows:

1. Notwithstanding the provisions of item 1 para. 1, individuals aged under 67 years may be admitted to nursing homes and the nursing facilities of old

people's homes, provided that they have been deemed in need of care under art. 15.

2. Clause 2 item 1 para.1 art. 3 of the Pharmaceuticals Act No. 93/1994 shall be worded thus: The Medical Director of Health's monitoring of the activities of blood banks is subject to the provisions of Section VI of the Health Service Act and of the Medical Director of Health Act.
3. Clause 3 para. 1 art. 4 of the Social Security Act no. 117/1993 shall be worded thus: The board shall also nominate a representative to the committee under art. 35.
4. The following amendments will be made to the Patients' Rights Act no. 74/1997:
 - a. The word *heilsugæsluumdæmi* [healthcare region] in art. 30 of the Act is replaced by *heilbrigðisumdæmi* [health region]
 - b. Para 2 art. 28 of the Act shall be worded thus:

Should a patient wish to make a complaint with regard to treatment, he/she may submit his/her complaint to the Medical Director of Health in accord with the provisions of the Medical Director of Health Act.

Passed by Alþingi 17 March 2007.