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## NEW LAW WHICH CREATES THE FINANCIAL PROTECTION SYSTEM FOR DIAGNOSTICS AND TREATMENT OF HIGH COSTS

On **June 6th, 2015, Law No. 20,850**, which creates the **Financial Protection System for Diagnostics and Treatment of High Costs**, and pays posthumous tribute to Luis Ricarte Soto Gallegos, has been published.

This law creates a financial protection system for diagnostics and high cost treatments which will be defined by the Ministry of Health by means of a Supreme Decree.

**High cost treatment** is defined as a treatment which includes pharmaceutical products, foods or medical devices related to diseases and health conditions and to the assistance necessary for confirming its diagnostic and follow up; which due to the high costs involved, hinders the access to diagnosis and treatment, or catastrophically impacts the economy of the beneficiary. The aforementioned includes oncological, immunological and rare diseases.

All the **beneficiaries** of the health insurance systems of Chile can have access to this protection, including both the public and private systems, except for treatments covered by the labor accidents and professional diseases law, the mandatory insurance law for personal accidents caused by motorized vehicles and by the Agreement of Health Insurance through the Additional Coverage for Catastrophic Diseases (CAEC). In this last case, the beneficiaries should first use the CAEC coverage and if the treatment is not covered, they can access to the protection of this law.

On the other hand, the law includes provisions which modify the **Sanitary Code**, such as article 100 of said code in connection to the regulation of **incentives executed with promotional ends** (now limited only to those who participate in the sale of pharmaceutical products), creates a new Title V for **Clinical Trials for Pharmaceutical Products and Medical Devices** and a new Title VI regarding **Responsibility for Defective Sanitary Products**.

According to the first transitory article, the provisions of the law will be effective once the **supreme decree which states the High Costs Diagnostics and Treatments** (Article 5) is in force. Nonetheless, such supreme decree will not be issued until the publication of: (i) the regulations which establish the national threshold of annual cost to determine if a diagnosis or treatment is of high cost (Article 6); and (ii) the regulations which state the conditions under which the providers shall inform beneficiaries of their right to access the financial protection comprehended in the system (Article 13). Such regulations shall be issued within 90 days as of the publication of the law, namely, before September 6th, 2015.



If you have any questions regarding the matters discussed in this memorandum, please contact the following attorneys or call your regular Carey contact.

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