

Summary

As part of the Thai government's effort to keep up with the rising costs of medical care of employees, on 1st April 2008 the Cabinet approved a draft Ministerial Regulation prescribing the New Rates for Medical Expenses to be paid by employers. The Ministerial Regulation was published with immediate effect in the Royal Gazette on 13th May 2008. It increases the rates of the benefits provided by employers for the actual, necessary medical expenses of employees.

Full Update

The Cabinet approved the Ministerial Regulation which increases the rates to be paid by employers for medical expense benefit of employees. The previous rates were prescribed in 1996 and since that time costs of medicines, medical equipment and medical supplies have increased by over 50% and the related expenses for the medical personnel, rooms and food have risen by 20-30% due to such factors as inflation, wage increases and rising exchange rates.

The Ministerial Regulation, which is issued under the Workmen's Compensation Act B.E. 2537 (1994), applies to employee who is defined under the Act as a person who agrees to work for an employer in return for wages regardless of title. This includes probationary, temporary, full-time, part-time or a specialized contractual employee but excludes employees who do house-related work for a household that does not operate as a business.

This Ministerial Regulation repeals the previous Ministerial Regulation prescribing the Rates for Medical Expenses to be paid by employers under the Workmen's Compensation Act B.E. 2537 (1994) B.E. 2548 (2005).

New Rates Stipulated in the Ministerial Regulation

1. In the event that an employee suffers from an injury or a sickness, the employer shall pay the actual, necessary medical expenses up to but not exceeding THB 45,000. This is an increase of THB 10,000 from the previous Regulation.

2. In the event the rate stated in Item 1 is insufficient, the employer shall pay the additional actual, necessary medical expenses up to THB 65,000 inclusive of the amount in Item 1 for the following conditions:

- (a) severe injury to several internal organs where an operation is needed;
- (b) severe injury to various bones where an operation is needed;
- (c) severe injury to the head where an open skull surgery is needed;
- (d) severe injury to the spine, the spinal cord or nerve roots;
- (e) damage to complex organs, where microsurgery is needed;
- (f) dermatological burns caused by fire, hot water, chemicals or electrocution causing deep skin tissue loss down to the dermis to over 30% of the body;
- (g) suffering from severe injury or chronic illness as declared by the Minister of Labor.

This is an increase of THB 15,000 from the previous Regulation.

3. In the event the rate stated in Item 2 is insufficient, the employer shall pay the additional actual, necessary medical expenses, of which when combined with the medical expenses in Item 2 and 3, shall not be more than THB 200,000 for the following injuries or sickness suffered by the employee:

- (a) from two or more injuries or illnesses as stated in Item 2 (a) - (f);
- (b) from an injury or sickness as stated in Item 2 (a) - (f);
- (c) where respiratory support is needed or a stay in the Intensive Care Unit, the Critical Care Unit or the Burn Unit for more than 20 days is required;
- (d) severe injury to the brain or the spinal cord where treatment is needed for more than 30 consecutive days;
- (e) from severe injuries or chronic illness causing material organs to fail.

4. In the event the rate stated in Item 3 is insufficient, the employer shall pay the additional actual, necessary medical expenses provided that the total amount shall not be more than THB 300,000 and the consideration and approval from the Medical Committee is obtained.

5. In the event the employee incurs expenses as an in-patient for room, food, general and medical service fees etc., the employer shall be responsible for such actual expenses but not exceeding THB 1,300 per day. This is an increase of THB 600 from the previous Regulation.

This Ministerial Regulation also stipulates that an employee who was receiving treatment as an in-patient for an injury or sickness on the day this Ministerial Regulation became effective on 13 May 2008, shall also be covered.

Employers should accordingly revise their employee medical benefits to be consistent with this Ministerial Regulation. The failure of an employer to comply with this Ministerial Regulation is penalised by imprisonment of up to six months or a fine not exceeding THB 10,000 or both.

Information supplied by Mayer Brown JSM (Thailand) Limited