

# Medical Care Act

Amended on April 28, 2004, by President Order Hua Chung (1) Yi Tze No. 09300083211.

## Chapter I General Principles

Article 1 The Medical Care Act (hereinafter referred to as "the Act") is enacted for the purpose of advancing the comprehensive development of the medical care industry, reasonably distributing medical care resources, improving the quality of medical care, to protect the rights of the patient, and to promote national health. Any matter not provided for in the Act shall be governed by the provisions of other relevant laws.

Article 2 The term "medical care institutions" as used in the Act shall refer to any institution in which physicians conduct the practice of medicine.

Article 3 The term "public medical care institutions" as used in the Act shall refer to any medical care institution established by government authority, government-owned enterprises, or public schools.

Article 4 The term "private medical care institutions" as used in the Act shall refer to any medical care institution established by physician(s).

Article 5 The term "juridical persons in medical care" as used in the Act shall include corporate care and medical corporations.

The term "medical care corporates" as used in the Act shall refer to corporates in which the founder endows a certain number of assets for the purpose of conducting medical practices or running a medical care institution, which has been approved by

the central competent authority and registered at court.

The term “medical care corporations” as used in the Act shall refer to registered corporations approved by the central competent authority for the purpose of conducting medical affairs and medical care institutions.

Article 6 The term “subsidiary medical institutions of a juridical person” as used in the Act shall refer to the following medical care institutions:

1. Subsidiary hospitals established by private medical colleges and universities for the purpose of clinical education.
2. Medical care institutions established to conduct medical practices by public-interest juridical persons in accordance with related laws.
3. Subsidiary infirmaries of businesses, schools, or institutions set up in accordance with the law for the purpose of providing medical and health care services or emergency medical care for employees or members.

Article 7 The term “teaching hospital” as used in the Act shall refer to medical care institutions whose education, research, and training facilities have been accredited in accordance with the Act as being able to provide training for physicians and other medical personnel, and clinical internship and practical training for students of medical colleges and universities.

Article 8 The term “human trial” as used in the Act shall refer to experimentation research conducted by medical institutions on humans according to medical theory by use of new medical technologies, medicaments, or medical implements.

Article 9 The term “advertisement of medical treatment” as used in the Act shall refer to the act of advertising medical practices by means of propagation for the purpose of soliciting patients.

Article 10 The term “medical personnel” as used in the Act shall refer to physicians, pharmacists, professional registered nurses, physical therapists, occupational therapists, laboratory technologists, radiology technologists, dietitians, assistant pharmacists, registered nurses, midwives, physical therapy assistants, occupational therapy assistants, laboratory technology assistants, radiologists, and other persons with professional medical certificates issued by the central competent authority.

The term “physician” as used in the Act shall refer to physicians, Chinese medicine doctors, and dentists as referred to in the Physician’s Act.

Article 11 The term "competent authority" as used in the Act shall refer to the Department of Health, the Executive Yuan, in the case of the central government, the municipal government in the case of a municipality, and the county (city) government in the case of a county (city).

## **Chapter II Medical Care Institutions**

Article 12 Medical care institutions with wards for the inpatient care of patients shall be referred to as hospitals; those with only out-patient facilities shall be referred to as clinics; and those which conduct medical care practices not for the purpose of directly treating patients shall be referred to as other medical care institutions.

Clinics referred to in the preceding Paragraph may set up no more than nine beds

for observation. Gynecology clinics shall set up no more than ten obstetric beds according to medical practice necessity.

The classification of medical care institutions, as well as the service facilities, personnel, and establishment standards of each type of medical care institutions shall be determined by the central competent authority.

Article 13 Two or more clinics may establish a joint clinic at the same location, and shall conduct respective clinical practices with the use of common facilities. The regulations regarding the management of joint clinics shall be established by the central competent health authority.

Article 14 The establishment or expansion of hospitals may apply for building license in accordance with related regulations under the Building Code, only after approval from the competent authority; the same applies to the establishment of a branch of a hospital.

Article 15 To commence practice, medical care institutions shall apply to the municipal or county (city) competent authority of the locality for approval and registration, and commence practice only after a practice license is issued.

The applicant qualifications, application procedures, documents, and other observances for the opening practice application referred to in the preceding Paragraph shall be determined by the central competent authority.

Article 16 Where the private medical care institutions are above a certain scale announced by the central competent authority, said private medical care institutions shall be

re-established as a medical juridical person.

Article 17 The use and change of the names of medical care institutions shall be restricted to those approved by the respective municipal or county (city) competent authority. The principles regarding the use and change of said names shall be determined by the central competent authority.

Non-medical care institutions may not use names of, or similar to, medical care institutions.

Article 18 One supervising physician shall be established at each medical care institution, and shall be responsible for the practice of medicine at said medical care institution. The applicant shall be the supervising physician of a private medical care institution.

The supervising physician referred to in the preceding Paragraph shall be limited to those who has received at least two years of medical training at hospitals or clinics designated by the central competent authority, and have received documents of certification.

Article 19 The supervising physician shall appoint a physician with supervising physician qualifications to act for, in the case that he/she is not able to conduct practice. In the case that the activity period exceeds 45 days, the original supervising physician shall notify the original license issuing authority.

The acting period referred to in the preceding Paragraph shall not exceed one year.

Article 20 Medical care institutions shall display the practice license, clinic hours, and other

clinic items in a conspicuous place.

Article 21 Standards for medical fees charged by the medical care institution shall be determined by the municipal or county (city) competent authority.

Article 22 Receipts shall be made by medical care institutions for medical fees charged, which shall clearly state the item(s) and fee(s).

Medical fees charged by medical care institutions shall not violate or exceed the standard for the fees, nor shall medical institutions charge for items without authorization.

Article 23 When the practice is suspended or terminated, the medical care institution shall notify the original license issuing authority within 30 days.

Provisions regarding the establishment and opening of practice shall apply mutatis mutandis to the relocation of medical care institutions.

Provisions regarding the opening of practice shall apply mutatis mutandis to the resumption of practice for medical care institutions.

Article 24 Medical care institutions should be clean and orderly, and shall not obstruct public health or safety.

For the purpose of protecting the patient's safety to access medical care, no person shall use violence, coercion, intimidation, or other illegal methods to disrupt the order of a medical institution or obstruct the execution of medical care practices.

The law enforcement authority shall assist in eliminating or restraining persons who violate the provisions of the preceding Paragraph.

Article 25 The architectural structure and facilities of hospitals shall have fire prevention,

escape routes, and other necessary precautions. In addition, hospitals shall also establish emergency response measures.

The emergency response measures referred to in the preceding Paragraph and the regulations regarding their inspection shall be determined by the central competent authority.

Article 26 Medical care institutions shall submit reports in accordance with the provisions of the law or with the notification of the competent authority, and shall accept inspections or data collections conducted by the competent authority regarding personnel, facilities, medical fees, medical practices, health and safety, and medical records.

Article 27 In case of serious disasters, medical care institutions shall obey the orders and directions of the competent authority in providing medical care services and assisting in public health, which shall not be avoided, obstructed, or refused.

The competent authority shall provide compensation after consideration for the fees or costs incurred by medical care institutions which provide services or assistance according to the preceding Paragraph.

Article 28 The central competent authority shall conduct accreditation of hospitals. The municipal or county (city) competent authority shall conduct periodical assessment of medical care institutions within the respective jurisdiction.

Article 29 Public hospitals may invite local social personages to establish an management advisory committee, for the purpose of providing suggestions to improve regional medical

care services.

Public hospitals shall allot at least ten percent of the annual medical income after expenses to conduct research and development, professional training, health education, medical relief, community medical care services, and other community services.

### **Chapter III Medical Juridical Persons In Medical Care**

#### **Section I General Provisions**

Article 30 The establishment, organization, and management of medical care corporates shall be conducted in accordance with the provisions under the Act. Any matter not provided for in the Act shall be governed by the Civil Code.

Medical care corporations shall be established in accordance with the provisions under the Act. The organization, management, rights and obligations of the directors, bankruptcy, dissolution, and liquidation of medical corporations not provided for in the Act shall be governed by the Civil Code.

Article 31 Juridical persons in medical care may establish hospitals, clinics, and other medical care institutions. The number and scale of said establishments may be restricted as necessary.

The restrictions of number and scale of establishments as referred to in the preceding Paragraph shall be determined by the central competent authority.

Juridical persons in medical care may establish the following subsidiary institutions with the approval of the central competent authority and the competent

authority governing the related practice:

1. Nursing institutions, psychiatric rehabilitation institutions;
2. Medical research institutions;
3. Welfare institutions stipulated in accordance with the Law Governing Benefits for Senior Citizens and other welfare related laws.

The establishment criteria, procedure, and other observances of subsidiary institutions referred to in the preceding Paragraph shall be conducted in accordance with the provisions in related laws.

Article 32 Juridical persons in medical care shall have the necessary assets to achieve the purpose of establishment.

The necessary assets referred to in the preceding Paragraph shall be determined by the central competent authority in accordance with the scope of establishment and conditions for operations.

Article 33 A juridical person in medical care shall establish a board of directors with one chairperson, who shall represent said juridical person.

A juridical person in medical care shall establish bylaws governing the organization and powers of the board of directors and supervisor, the qualification, selection and dismissal procedure for directors, chairperson, and supervisors, meeting and resolutions procedure, and other observances, which shall be submitted for approval to the central competent authority.

Article 34 Juridical persons in medical care shall establish an accounting system, adopting a

fiscal year system and accrual system. The legal certificates of financial income and expenses shall conform to publicly-acknowledged accounting standards, and shall be kept on record.

Juridical persons in medical care should submit the annual financial report approved and recognized by the board of directors and supervisors to the central competent authority within five months after the end of the fiscal year.

The principles regarding the compilation of the financial report referred to in the preceding Paragraph shall be determined by the central competent authority.

In addition to compliance with provisions stated above, accounting systems of juridical persons in medical care shall be conducted in accordance with related provisions of the Company Law.

The competent authority may order juridical persons in medical care to submit financial and operations reports, or inspect financial or operation situations at any time.

Juridical persons in medical care shall not avoid, obstruct, or refuse the order or inspection referred to in the preceding Paragraph.

Article 35 Juridical persons in medical care shall not be unlimited liability shareholders of a company or a partner of a partnership enterprise. In the case that a juridical person in medical care is a limited liability shareholder of a company, the total investment and investment in a single company or the ratio of investment may not exceed a certain restriction.

The restrictions of investment referred to in the preceding Paragraph shall be determined by the central competent authority.

Surplus shares given to juridical persons in medical care by the invested company shall not be taken account into the total investment or investment amount referred to in the preceding Paragraph.

Article 36 The assets of juridical persons in medical care shall be registered or saved in the name of juridical person, and the use of which shall be supervised by the central competent authority. Juridical persons shall not loan, rent out, create a right in rem over, change to the use of its real estate, or create a right in rem over its facilities, without authorization from the central competent authority.

Article 37 Juridical persons in medical care shall not be guarantors.  
The capital of juridical persons in medical care shall not be loaned to directors, members, other persons, or non-financial institutions. The assets of juridical persons in medical care shall not be guarantee for directors, members, or other persons.

Article 38 Personal contributions or contributions by organizations to medical care corporates shall be tax-deductible in accordance with related tax laws.

The deduction or exemption of income tax, land tax, or house tax for medical care corporates shall be conducted in accordance with the provisions of tax related laws.

Private medical care institutions established prior to the implementation of the amendment of the Act, which change to juridical person in medical care within three

years of implementation, and transfer original medical lands to juridical person in medical care for continued use without cost, shall be exempt from added value land tax. However, in the case the land is transferred again to a third party, added value land tax shall be collected according to the total added value from the original land value of previous or current transfer.

Article 39 Juridical persons in medical care may merge with other similar juridical persons in medical care under the approval of the central competent authority.

Juridical persons in medical care shall produce a financial statement and balance sheet, and notify obligees within two weeks of merging with the approval of the central competent authority. The provisions of Paragraph 2 of Article 73 and Paragraph 1 of Article 74 of the Company Law shall apply mutatis mutandis.

The rights and obligations of juridical persons in medical care eliminated due to mergers shall be accepted in its entirety by the remaining or new medical juridical person.

Article 40 Non-medical care juridical persons may not use the names of, or similar to, medical juridical persons in medical care.

Article 41 The competent authority may reform, give a deadline to make improvements, cease all or part of clinical or hospital practices, order the suspension of practice, or revoke the license of juridical persons in medical care which are ill-conducted, or in violation of laws or original establishment criteria, in accordance with the seriousness of the situation.

In the case that juridical persons in medical care fail to conform to the provisions of Paragraph 2 of Article 32 due to decrease of assets, suspension or alteration of the established institution, or revocation of license, the central competent authority shall give a deadline to make improvements. Those who fail to comply shall be subject to revocation of license.

The central competent authority may annul the permit license of juridical persons in medical care which fall under the following conditions:

1. Those that have been approved for termination of practice, and fail to apply for resumption of practice within the given time limit.
2. Those that have been ordered to terminate all or part of clinical or hospitalization practices, and do not comply.
3. Those that have been ordered to terminate practice and do not comply, or fail to make improvements within the given time limit.
4. Those imposed with revocation of practice license.

### **Section II Medical Care Corporates**

Article 42 Medical care corporates shall submit endowment charter, establishment plan, and related documents for approval by the central competent authority for establishment.

After approval for the medical care corporate referred to in the preceding Paragraph, the founder or executor of will shall appoint directors and establish a board of directors within 30 days. The founder or executor of will shall submit the list of directors for authorization from the central competent authority within 30 days

of establishment of the board of directors, which shall be submitted to the respective court for registration of juridical person within 30 days of authorization.

The founder or executor of will shall transfer the endowment to the juridical person within three months of the date of registration completion for the medical care corporate, and shall notify the competent authority.

The founder or executor of will shall be given a time limit within which to transfer the endowment to the juridical person; those who fail to comply shall be subject to revocation of license by the central competent authority.

Article 43 The directors of medical care corporates shall be limited to nine to fifteen persons, in which no less than one-third shall be licensed physicians or other medical personnel.

No more than one-third of the total number of directors shall be foreigners. No more than one-third of the total number of directors shall be blood relatives or relatives by marriage of three degrees or closer of other directors.

Directors shall personally attend the board of directors' meeting, and shall not authorize an agent to represent him/her.

Article 44 Changes to the endowment charter of medical care corporates shall be made with the approval of the central competent authority.

In the case that there are any changes made in chairman, directors, assets, or any other registered particulars, the medical care corporate shall apply for approval in accordance with provisions by the central competent authority.

The changes referred to in the preceding two Paragraphs shall be registered at court within 30 days of approval by the central competent authority.

Article 45 In the case that a medical care corporate director is not elected or replaced after the previous one has fulfilled his/her term, which results in clear damage to the organization of the board of directors, the central competent authority shall appoint a replacement director according to the petition of other directors or interested parties. The regulations regarding appointment shall be determined by the central competent authority.

In the case that a medical care corporate director is in violation of the law or bylaws, resulting in harm done to the juridical person, is harmful to the interests of the established institution, and causes an inability to operate normally, the central competent authority may order said director to temporarily cease from his/her duties or dismiss him/her according to the petition of other directors or interested parties.

The temporary cessation from duties referred to in the preceding Paragraph shall not exceed six months. In the case that the cessation from duties results in clear damage to the organization of the board of directors, the central competent authority shall appoint a temporary director in replacement. The appointment of the temporary director shall be exempt from registration, and shall be appointed in accordance with provisions provided for in the first Paragraph.

Article 46 Medical care corporate shall allot at least ten percent of the annual medical care income to conduct related research and development, professional training, and

health education. Medical care corporates shall allot at least ten percent of the annual medical care income to conduct medical relief, community medical care services, and other community services. Those with outstanding achievements shall be rewarded by the central competent authority.

### **Section III Medical Care Corporations**

Article 47 Medical care corporations shall submit organization bylaws, establishment plan, and related documents for approval by the central competent authority for establishment.

After approval from the central competent authority referred to in the preceding Paragraph, said medical care corporation shall establish a board of directors in accordance with its bylaws within 30 days. Within 30 days of establishment of board of directors, the medical care corporation shall report to the central competent authority for registration and issuance of juridical person registration license.

Article 48 When a medical corporation is established, the following entries shall be registered:

1. Purpose and name of juridical person;
2. The principal and branch offices;
3. Name and domicile of directors, chairperson, and supervisors;
4. Classification and number of assets;
5. Location, classification, and scope of established institution;
6. Total number of assets and contributions from each member;

7. Year, month, and date of permit license.

Article 49 The juridical person may not be a member of the medical care corporation.

All members of medical care corporations have a right to vote, regardless of the amount of contribution. However, the right to vote shall be distributed in proportion to the contribution in accordance with the bylaws of said medical care corporation.

The bylaws of medical care corporations shall clearly state that members shall retain rights to the assets of the juridical person in relation to their contributions, which may be transferred, in part or in whole, to third persons.

In the case that members who jointly serve as directors or supervisors transfer their rights to third persons in the situation referred to in the preceding Paragraph, said persons shall notify the central competent authority. Those who transfer all of their rights to the assets shall be dismissed from their duties automatically.

Article 50 The directors of medical care corporations shall be limited to three to nine persons, in which no less than two-thirds shall be physicians or other medical personnel.

No more than one-third of the total number of directors shall be foreigners. Furthermore, foreigners shall not be the chairperson.

Medical care corporations shall establish supervisors, the number of which shall not exceed one-third of the number of directors.

Supervisors shall not serve concurrently as a director or employee.

Directors shall personally attend the board of directors' meeting, and shall not authorize an agent to represent him/her.

Article 51 The alteration of the bylaw of a medical care corporation shall be reported to the central competent authority for approval.

In the case that there is a change in chairperson, directors, or alteration in assets or other registered particulars, the medical care corporation shall register the alteration in accordance with regulations by the central competent authority.

In the case of dissolution, the medical care corporation shall register the dissolution.

Article 52 In the case that a medical care corporation director is not elected or replaced after the previous one has fulfilled his/her term, which results in clear damage to the organization of the board of directors, the central competent authority shall order an immediate general meeting for the appointment of a replacement director according to the petition of other directors or interested parties. In the case that the general meeting cannot be called, the replacement director shall be appointed by the central competent authority. Regulations regarding appointment shall be determined by the central competent authority.

In the case that a medical care corporation director is in violation of the law or bylaws, resulting in harm done to the juridical person, is harmful to the interests of the established institution, and causes an inability to operate normally, the central competent authority may dismiss said director according to the petition of other directors or interested parties.

In the case that the resolution of board of directors of a medical care corporation

is in violation of the law or bylaws, resulting in harm done to the juridical person, is harmful to the interests of the established institution, or causes an inability to operate normally, the central competent authority shall dismiss the board of directors and call for a general meeting in which to appoint new directors.

Article 53 Medical care corporations shall allot at least ten percent of the income to conduct research and development, professional training, and health education, medical relief, community medical care services, and other community services. Medical care corporations shall allot at least twenty percent of the income as the operation fund.

Article 54 Medical care corporations shall be dissolved under any of the following circumstances:

1. Occurrences calling for dissolution under the bylaw;
2. In the case that the established purpose can not be fulfilled;
3. Consolidation with other juridical persons in medical care;
4. Bankruptcy;
5. Revocation of license or order for dissolution by the central competent authority;
6. General resolution;
7. Lack of members.

Dissolution in accordance with Subparagraph 1 of the preceding Paragraph shall be reported to the central competent authority. Dissolution in accordance with

Subparagraphs 2 through 7 of the preceding Paragraph shall meet with the approval of the central competent authority.

Article 55 The remaining assets shall be dispersed in accordance with provisions under the organization bylaw after the dissolution of the medical corporation, with exception of consolidations and bankruptcies.

### **Chapter IV Medical Practices**

Article 56 Medical care institutions shall have appropriate locations in medical care and safety facilities in accordance with the nature of services provided.

Article 57 Medical care institutions shall supervise the medical personnel to conduct practices in accordance with related provisions of each professional medical practice law.

Article 58 Medical care institutions shall not establish clinical assistants to conduct medical practices.

Article 59 Hospitals shall appoint an appropriate number of physicians in accordance with the scope and practical needs of the hospital, to treat hospitalized and emergency patients during non-clinic hours.

Article 60 Hospitals and clinics shall provide emergency medical care and necessary precautions within the capability of personnel and facilities to emergency patients, and shall not delay without cause.

In the case that the emergency patient referred to in the preceding Paragraph or his/her guardian is financially unable to afford the medical costs, the municipal or county (city) social administrative competent authority shall provide subsidies in

accordance with the law.

Article 61 Medical care institutions shall not solicit patients through improper manners proclaimed and prohibited by the central competent authority.

Medical care institutions and its staff shall not take advantage of opportunities resulting from medical practice to gain improper interests.

Article 62 Hospitals shall establish medical care treatment quality control systems, and review and assess the quality.

For the purpose of improving medical care service quality, the central competent authority shall establish regulations regarding the applicable symptoms, qualification of technical personnel, conditions, and other observances for medical technology, examination, laboratory testing, medical devices.

Article 63 Medical care institutions shall explain the reasons for surgical operation, success rate, possible side-effects and risks to the patient or his/her legal agent, spouse, kin, or interested party, and must obtain his/her consent and signature on letter of consent for surgery and anesthesia before commencing with surgical procedure. However, in case of emergency, the provisions above shall not apply.

The legal agent, spouse, kin, or interested party may sign the letter of consent referred to in the preceding Paragraph in the case that the patient is a minor or unable to affix the signature personally.

The format of the letter of consent for surgery and anesthesia referred to in the first Paragraph shall be determined by the central competent authority.

Article 64 Medical care institutions shall explain the invasive examination or treatment regulated by the central competent authority to the patient or his/her legal agent, spouse, kin, or interested party, and must obtain his/her consent and signature on the letter of consent before commencing with the procedure. However, in case of emergency, the provisions above shall not apply.

The legal agent, spouse, kin, or interested party may sign the letter of consent referred to in the preceding Paragraph in the case that the patient is a minor or unable to affix the signature personally.

Article 65 The tissue specimens collected or organs taken in operations by the medical care institutions shall be sent in pathological examinations, and shall notify the patient or his/her legal agent, spouse, kin, or interested party of the examination result.

Medical care institutions shall analyze, review, and assess the clinical or pathological examination result of the tissue specimens or organs from operations mentioned in the preceding Paragraph.

Article 66 When dispensing medicaments to the patient, the hospital or clinic shall clearly state the patient's name and sex, the name of the medicament, dosage, amount, method of administration, the name and location of the medical institution, and the date on the container or package.

Article 67 Medical care institutions shall establish clear, accurate, and complete medical records.

The medical records referred to in the preceding Paragraph shall include the

following information:

1. Medical records produced by the physician in accordance with the Physicians Act;
2. Each examination and inspection report;
3. Other records made by medical personnel during practice.

Hospitals shall make an index and statistical analysis of medical records for the purpose of research and reference.

Article 68 Medical care institutions shall instruct its medical personnel to personally make documentation of medical record, affix signature or seal, and add the year, month and date of inspection when conducting medical practices.

In the case that the medical records referred to in the preceding Paragraph is revised or amended, the signature or sign and date shall be affixed to the revised or amended portions. Amended records shall be drawn out with a line, and not deleted.

The physician's orders shall be clearly stated in the medical record or in written form. However, in case of emergency, the physician's orders may be given orally, and documented within 24 hours.

Article 69 Medical care institutions which document and store medical records by means of electronic record shall be exempt from producing another written copy. The regulations regarding the criteria, production method, content, and other observances for electronic medical records shall be determined by the central

competent authority.

Article 70 Medical care institutions shall appoint appropriate location and personnel for the storage of medical records, which shall be retained for at least seven years. However, medical records of minors shall be retained for at least seven years after their coming of age, and medical records for human trials shall be retained indefinitely.

Medical care institutions which cease to practice due to certain reasons shall transfer the medical records to the successor for retentions in accordance with the law. Those without successors shall retain the medical records for at least six months before destruction.

Medical care institutions shall ensure that the destruction method of medical records which exceed retention period shall not disclose the contents of the medical records.

Article 71 Medical care institutions shall provide a copy of the patient's medical records or Chinese summary of medical records when necessary in accordance with the patient's requests, and shall not delay or refuse without cause. The fee for the copy of medical records shall be paid by the patient.

Article 72 Medical care institutions and their staff shall not disclose without cause any information regarding patients' illnesses or health, which are acquired by virtue of practice.

Article 73 Hospitals or clinics which are unable to ascertain the patient's illness or provide full treatment due to restrictions of personnel, facilities, or expertise, shall suggest

the patient to transfer to another medical care institution. However, hospitals or clinics shall provide emergency medical care in accordance with Paragraph 1 of Article 60 in the case of emergency patients before transfer to another medical care institution.

A summary for transfer medical record shall be filled out and provided to the patient in the case of transfer referred to in the preceding Paragraph, which shall not be delayed or refused without cause.

Article 74 When treating a patient, the hospital or clinic may contact any previous hospitals or clinics where the patient was treated for copies of medical records, medical record summary, and other examination reports as necessary, but only after obtaining the consent of the patient or his/her legal agent, spouse, kin, or interested party. The previous hospital or clinic shall not refuse to provide said information. The cost shall be paid by the patient.

Article 75 Hospitals shall provide appropriate medical care facilities and personnel to provide continuing care for discharged patients per their requests.

Hospitals shall obtain a signed discharge form from the patient or his/her legal agent, spouse, kin, or related party in the case that the patient demands to be discharged prior to completion of his/her treatment.

Patients shall immediately process the discharge or transfer upon notification of discharge by diagnosis or physician order.

Article 76 Hospitals and clinics shall not refuse to provide the patient with birth certificate,

diagnosis, death certificate, or stillbirth certificate without cause stipulated in laws or regulations.

Hospitals and clinics shall report cases of death not caused by illness, or suspected not to be caused by illness, to the procuratorial authority for investigation in accordance with the law.

Article 77 Medical care institutions shall accept entrustment by the government in medical care service related affairs, such as assisting in conducting public health, continuing education, on-the-job training, disaster relief, emergency relief, community welfare, and civil defense.

Article 78 For the purpose of improving the standard of domestic medical technology or the prevention of disease, teaching hospitals may conduct human trials after formulating a plan and approval from the central competent authority, or upon entrustment of the central competent authority.

Non-teaching hospitals may not conduct human trials. However, the preceding Paragraph may apply *mutatis mutandis* to specify hospitals with the approval of the central competent authority.

The plan for human trial by a medical care institution referred to in the preceding two Paragraphs should be reviewed and approved by personnel in medical technologies, legal experts, and social workers. Alterations to the plan shall also be reviewed and approved by personnel in medical technologies, legal experts, and social workers.

Article 79 When conducting human trials, medical care institutions shall pay proper attention to the medical procedure, and shall first obtain a written letter of consent from the experiment subject. In the case that the experiment subject is a person of no capacity or limited capacity to make juridical acts, consent shall be obtained from legal agent.

The medical care institution shall clearly state the following on the written letter of consent referred to in the preceding Paragraph, and shall inform the experiment subject of the following before obtaining his/her consent:

1. Purpose and method of trial;
2. Possible side-effects and risks;
3. Expected trial results;
4. Explanation of other possible treatment methods;
5. Retraction of consent at any time by experiment subject.

Article 80 Medical care institutions shall submit trial report in accordance with notification by the central competent authority during human trial period. If the central competent authority feels there is concern for safety, the medical care institutions shall cease trial immediately.

Medical care institutions shall submit trial report to the central competent authority at the completion of the human trial.

Article 81 When treating the patient, the medical care institution shall inform the patient or his/her legal agent, spouse, kin, or interested party of his/her condition, course of

treatment, disposition, medication, expected condition, and possible ill effects.

Article 82 Those conducting medical practices shall pay proper attention to medical care procedure.

Medical care institutions and their medical personnel who harm patients in the execution of practice, whether deliberate or by accident, shall be responsible for compensation.

Article 83 The Judicial Yuan shall appoint courts to establish professional medical courts, in which a judge with related professional medical knowledge and trial experience shall handle medical disputes and litigation.

### **Chapter V Advertisements For Medical Care**

Article 84 Non-medical care institutions shall not make advertisements for medical care.

Article 85 The content of advertisements for medical care shall be restricted to the following:

1. The name, practice license number, address, and telephone number of, and directions to, the medical care institution;
2. The name, sex, academic background, professional experience, and physician or specialist physician certificate number of the physician;
3. Hospitals or clinics contracted or associated with the National Health Insurance or other non-commercial insurances;
4. Clinic practices and clinic hours;
5. The year, month, and date of the opening, suspension, close, resumption, or

relocation of practice;

6. Other items approved and announced by the central competent authority for publication or broadcast.

Advertisements for medical care may orally present the content referred to in the preceding Paragraph through broadcast or television media with the approval of the respective municipal or county (city) competent authority.

Information provided by medical care institutions through the internet shall not be restricted by content limitations provided for in the preceding Paragraph, with exception to the conditions provided for in Paragraph 2 of Article 103. The regulations regarding management of advertisements for medical care on the internet shall be determined by the central competent authority.

Article 86 Advertisements for medical care shall not be made in any of the following manners:

1. To publicize by making use of the name of other person(s);
2. To publicize by sale or gift of medical publications;
3. To publicize by making known family trade secrets or by public question and response;
4. To publicize by making use of content contained in medical publications;
5. To publicize by means of releasing an interview or news report;
6. To publicize in association or side-by-side with advertisements in violation of the preceding Paragraph;

7. To publicize by any other improper means.

Article 87 Advertisements containing content which implies or suggests medical practices shall be regarded as advertisements for medical care.

Publications of new medical knowledge or research results, health education for patients, or academic publications which do not involve solicitation for medical practices shall not be regarded as advertisements for medical care.

### **Chapter VI Distribution of Medical Manpower and Facilities**

Article 88 For the purposes of promoting the balanced development of medical care resources, overall planning of existing public and private medical care institutions, and the reasonable distribution of manpower, the central competent authority shall divide medical regions, establish medical level system, and create a plan for medical care network.

The competent authority may provide incentives for the establishment of non-governmental medical care institutions and nursing homes in areas lacking medical care resources in accordance with the plan for medical care network referred to in the preceding Paragraph. When necessary, the government shall establish said medical care institutions.

Article 89 The division of medical regions shall take into account the medical care resources and distribution of population within the region, and may exceed the boundaries of municipalities or counties (cities).

Article 90 The municipal or county (city) competent authority shall examine the

establishment or expansion of medical care institutions within the respective jurisdictions in accordance with the plan for medical care network established by the central competent authority. However, the establishment or expansion of large-scale hospitals of a certain scope shall be reported to the central competent authority for approval.

The competent authority shall restrict the establishment or expansion of medical care or nursing institutions in areas with surplus of medical facilities.

Article 91 For the purposes of promoting the development of the medical industry, improving the quality and efficiency of medical care, and balancing the distribution of medical care resources, the central competent authority shall adopt incentive measures.

The regulations regarding the items, methods, and other coordinative measures of the incentive measures referred to in the preceding Paragraph shall be determined by the central competent authority.

Article 92 The central competent authority shall establish a medical development fund for the purpose of providing the incentives referred to in the preceding Article. The regulations regarding the revenues and expenditures, safekeeping, and use of the fund shall be determined by the Executive Yuan.

Article 93 The central competent authority may review and assess dangerous medical purchased and used by medical care institutions when necessary.

The dangerous medical instrument items referred to in the preceding Paragraph and regulations regarding their review and assessment shall be determined by the central

competent authority.

## **Chapter VII Teaching Hospitals**

Article 94 For the purpose of improving medical standards, hospitals may apply for accreditation to become teaching hospitals.

Article 95 The accreditation of teaching hospitals shall be regularly conducted by the central competent authority in conjunction with the central competent education authority.

The central competent authority shall notify in writing the teaching hospital which applied for accreditation of the accreditation result, and shall release a bulletin of the list of qualified teaching hospitals, terms of validity, and other particulars.

Article 96 Teaching hospitals shall draft a training plan, to conduct the training and continuing education of physicians and other medical personnel, and shall accept students of medical universities and colleges for practical clinical training and internship.

The number of physicians, medical personnel, and students of medical universities and colleges referred to in the preceding Paragraph shall be in accordance with the approved training capacity.

Article 97 Teaching hospitals shall prepare an annual budget for research and development and professional training, which shall account for at least three percent (3%) of the total annual medical revenue of said teaching hospital.

## **Chapter VIII Medical Review Committees**

Article 98 The central competent authority shall establish a medical review committee,

which shall set up different working groups in accordance with the different missions, which are as follows:

1. Improvement of the medical care system;
2. Review of medical technologies;
3. Review of human trials;
4. Assessment commissioned by the judiciary or procuratorial authority;
5. Improvement of the specialist system;
6. Promotion of medical ethics;
7. Review of establishment or expansion of large hospitals exceeding a certain scale;
8. Review of other medical affairs.

The organization, meeting, and other regulations of the medical care committee referred to in the preceding Paragraph shall be established by the central competent authority.

Article 99 Municipal and county (city) competent authorities shall establish medical care committees, which shall fulfill the following missions:

1. Review of establishment or expansion of medical care institutions;
2. Review of medical fee standards;
3. Mediation of medical disputes;
4. Promotion of medical ethics;
5. Review of other medical affairs.

The organization, meeting, and other regulations of the medical review committee referred to in the preceding Paragraph shall be established by the municipal or county (city) competent authority.

Article 100 Members of the medical review committee referred to in the preceding two Articles shall include medical experts, legal experts, scholars, and social personages, excluding legislators/councilors and representatives of medical juridical persons, of which legal experts and social personages shall account for at least one-third of the number of members.

### **Chapter IX Penal Provisions**

Article 101 Any person who violates any of the provisions of Paragraph 1 of Article 17, Paragraph 1 of Article 19, Article 20, Paragraph 1 of Article 22, Paragraph 1 of Article 23, or Paragraph 1 of Article 24, and does not cease the law-violating act within the given time limit after notification from the competent authority, shall be subject to a fine of no less than NT\$10,000 but no more than NT\$50,000.

Article 102 Persons under the following conditions shall be subject to a fine of no less than NT\$10,000 but no more than NT\$50,000 and given a time limit to cease the law-violating act; persons who do not comply shall be subject to a successive fine:

1. Violation of any of the provisions of Paragraph 1 of Article 25, Article 26, Paragraph 1 of Article 27, Article 59, Paragraphs 1 of Article 60, Article 65, Article 66, Paragraph 1 and 3 of Article 67, Article 68, Article 70, Article 71, Article 73, Article 74, Article 76, or Paragraph 2 of Article 80.

2. Violation of the establishment standards determined by the central competent authority in accordance with Paragraph 3 of Article 12.
3. Violation of management regulations determined by the central competent authority in accordance with Article 13.
4. Violation of regulations determined by the central competent authority in accordance with Article 69.

Persons under the following conditions shall be subject to the fine referred to in the preceding Paragraph, and given a time limit to cease the law-violating act; persons who do not comply shall be subject to suspension of practice for no less than one month but no more than one year:

1. Violations of the provisions of Paragraph 1 of Article 25 or Article 66.
2. Violation of the establishment standards determined by the central competent authority in accordance with Paragraph 3 of Article 12.
3. Violation of management regulations determined by the central competent authority in accordance with Article 13.
4. Violation of regulations determined by the central competent authority in accordance with Article 69.

Article 103 Persons under the following conditions shall be subject to a fine of no less than NT\$50,000 but no more than NT\$250,000:

1. Violation of any of the provisions of Paragraph 1 of Article 15, Paragraph 2 of Article 17, Paragraph 2 of Article 22, Paragraph 2 and 3 of Article 23, Article

57, Article 61, Paragraph 1 of Article 63, Article 64, Article 72, Article 85, or Article 86, or those who alter approved advertisement content without authorization.

2. Violation of regulations determined by the central competent authority in accordance with Paragraph 2 of Article 62 or Paragraph 2 of Article 93.

Those who violate any of the provisions of Article 85 or Article 86 to revise the previously approved content of medical advertisements without authority, and fall under any of the following conditions, shall be subject to suspension of practice for no less than one month but no more than one year or revocation of practice license, and the central competent authority shall revoke the physician certificate of the supervising physician for one year, in addition to the penal provisions provided in the preceding Paragraph:

1. Content contains false, exaggerated, or distorted facts, or is indecent;
2. Promotes illegal abortion;
3. Has already been penalized three times within one year.

Article 104 Persons who violate Article 84 to make medical advertisements shall be subject to a fine of no less than NT\$50,000 but no more than NT\$250,000.

Article 105 Persons who violate any of the provisions of Paragraphs 1 and 3 of Article 78, Article 79, or Paragraph 1 of Article 80 shall be subject to a fine of no less than NT\$10,000 but no more than NT\$50,000 by the central competent authority. Serious violations shall be subject to cessation of practice for no less than one

month but no more than one year.

Persons who violate the provisions of Paragraph 2 of Article 78 shall be subject to a fine of no less than NT\$200,000 but no more than NT\$1,000,000 by the central competent authority. Serious violations shall be subject to suspension of practice for no less than one month but no more than one year, or revocation of practice license.

Article 106 Persons who violate the provisions of Paragraph 2 of Article 24 shall be subject to a fine of no less than NT\$30,000 but no more than NT\$50,000. Persons whose violations involve criminal liability shall be transferred to the juridical authority for disposal.

Article 107 Those who violate any of the provisions of Paragraph 2 of Article 61, Paragraph 2 of Article 62, Paragraph 1 of Article 63, Paragraph 1 of Article 64, Article 68, Article 72, Article 78, Article 79, or Paragraph 2 of Article 93 shall be penalized in accordance with the provisions of Article 102, Article 103, or Article 105. In addition, the offender shall also be penalized by said Articles. Persons whose violations involve criminal liability shall be transferred to the juridical authority for disposal.

In the event that the offender is a medical person, he/she shall be penalized in accordance with the respective specialty medical profession laws.

Article 108 Medical care institutions which fall under the following conditions shall be subject to a fine of no less than NT\$50,000 but no more than NT\$500,000. In addition,

the offending clinic departments or service items, or all or part of the clinic departments and hospitalization practices shall be subject to suspension of practice for no less than one month but no more than one year, or revocation of practice license, in accordance with the seriousness of the violation:

1. Obvious negligence of medical practice management, resulting in injury or death to the patient;
2. Knowingly documents medical records or produces diagnosis, birth certificate, death certificate or stillborn certificate which are inconsistent with the facts;
3. Conducts medical practices forbidden by central competent authority regulations;
4. Use of drugs forbidden by central competent authority regulations;
5. Permits persons who violate Article 28 of the Physician's Act to conduct medical practices;
6. Conducts improper practices, including those which are indecent or harmful to human health;
7. Verification upon examination of collection of excess medical fees, or collecting fees for items created without authorization, and failure to return the excess amount to patients within the given time limit.

Article 109 Medical care institutions which continue to operate after being imposed with suspension of practice shall have their practice license revoked.

Article 110 The supervising physician of medical care institutions imposed with revocation of practice license shall not apply to establish any medical care institution at the original or other locations for one year.

Article 111 The supervising physician of medical care institutions which continue to operate after being imposed with revocation of practice license shall have his/her physician revoked for two years by the central competent authority.

Article 112 Juridical persons in medical care who violate the provisions of Paragraph 5 of Article 34 or Paragraph 1 of Article 37 to become guarantors, shall be subject to a fine of no less than NT\$100,000 but no more than NT\$500,000 by the central competent authority, and shall be given a time limit in which to make amendments. Those who fail to make amendments within the given time limit shall be fined successively. The offender shall be responsible for the guarantee.

The chairperson of juridical persons in medical care who violate the provisions of Paragraph 2 of Article 37 shall be subject to a fine of no less than NT\$100,000 but no more than NT\$500,000 by the central competent authority. In addition, in the case that violation by juridical persons in medical care result in damage or injury, the offender shall be responsible for compensation.

Article 113 Juridical persons in medical care which violate any of the provisions of Paragraph 2 of Article 34, Paragraph 1 of Article 35, or Article 40 shall be subject to a fine of

no less than NT\$10,000 but no more than NT\$100,000 by the central competent authority, and given a time limit within which to make amendments. Those who fail to make amendments within the given time limit shall be fined successively.

In the case that juridical persons in medical care fail to register any of the stipulated particulars, the person responsible for registration shall be subject to a fine of no less than NT\$10,000 but no more than NT\$100,000 by the central competent authority, and shall be given a time limit within which to make corrections. Persons who fail to make corrections within the given time limit shall be fined successively.

In the case that there is more than one person responsible for registration in the situation referred to in the preceding Paragraph, all persons responsible for registration shall be jointly liable.

Article 114 Directors or supervisors who fail to report in violation of Paragraph 4 of Article 49 shall be subject to a fine of no less than NT\$50,000 but no more than NT\$200,000 by the central competent authority.

In the case that juridical persons in medical care fail to establish medical care institution in accordance with the respective establishment plan, the central competent authority shall order the juridical person in medical care to make amendments within a given time limit. Those who fail to comply within the given time limit shall be subject to revocation of permit. This provision shall apply mutatis mutandis to juridical persons in medical care who revise their

establishment plan.

Article 115 The supervising physician shall be subject to fines specified in the Act when applied to private medical care institutions. However, in the case that the supervising physician and offender is the same person, he/she shall not be subject to additional punishment in accordance with Article 107.

Article 116 Unless otherwise provided for in the Act, the fines, suspension of practice, and revocation of practice license specified in the Act shall be imposed by the municipal or county (city) competent health authority.

Article 117 Any person who fails to pay the fine imposed upon him/her under the Act within the time limit set in a notice given to him/her shall be turned over to the court for compulsory execution.

### **Chapter X Supplementary Provisions**

Article 118 The establishment and management of subsidiary medical care institutions of military authority and other non-governmental subsidiary care institutions shall be governed by the provisions of the Act. However, the management of subsidiary medical care institutions which are involved in matters of national security shall be governed in accordance with the provisions established by the Ministry of National Defense.

Article 119 Medical care institutions established prior to the coming into effect of the amendment of the Act, which do not conform to the provisions provided under the Act, shall make the corrections within one year of the coming into effect of the

amendment of the Act. Those which do not make the corrections within the given time period shall have their permits revoked by the original issuing authority. However, those with special circumstances and cannot make the corrections within one year may apply for an extension with the approval of the central competent authority.

Article 120 Bone setting technician licenses issued by the competent authority prior to the implementation of the Act shall continue to be valid, the regulations regarding the management of which shall be determined by the central competent authority.

Article 121 The central competent authority shall collect accreditation fee for the accreditation of hospitals. The municipal or county (city) competent authority shall collect license fee for the issuance of licenses in accordance with the Act.

The amount of accreditation fee and license fee referred to in the preceding Paragraph shall be determined by the central competent authority.

Article 122 The Enforcement Rules of the Act shall be established by the central competent authority.

Article 123 The Act shall become effective on the date of promulgation.