

# RAILWAYS SENIOR CITIZENS WELFARE SOCIETY

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No. RSCWS/ Memo-MOP&PW / FMA / 2013-3		Dated: 18-6-2013

1. Hon'ble Prime Minister of India, South Block, New Delhi.
2. Hon'ble Minister of Finance, North Block, New Delhi.
3. Hon'ble Minister of State for Personnel & Pension, North Block, New Delhi,

Dear Sir,

**Subject: Appeal for Revision of Fixed Medical Allowance for the Central Govt. Pensioners**  
 – i) At par with FMA paid to EPFO employees & Pensioners with the approval Govt.  
 ii) In proportion to the average expenditure on OPD Treatment in CGHS

**Reference:** i) DOP (P&PW) OM No. 4/252008-P&PW(D) Dated 26-5-2010  
 ii) Agenda item No. 9 of the Meeting of JCM (NC) held on 18-5-2011  
 iii) Our Memorandum No. RSCWS/ Memo / PM / FMA / 2012 - 1 Dated 11-2-2012

In continuation of our Memorandum Dated 11-2-2012 cited above, we deeply regret that our appeal, had not been accepted by the Government, for Revision of Fixed Medical Allowance (FMA) of Rs.300 PM, for day-to-day treatment, to Central Government Pensioners residing in Non-CGHS areas and those who are not getting any OPD treatment from CGHS or Railway Hospitals etc.

We very humbly urge upon you once again to please re-consider the following facts in view of the extreme hardship of the Pensioners due to meager amount of Rs.300 p.m. as FMA paid to the Pensioners for day-to-day treatment, while residing in non-CGHS areas etc.:

1. The amount of FMA is so negligible that it does not meet with even a “fraction” of day-to-day Medical expenses for treatment of old-age problems. It defeats the very purpose for which it is purported to be paid. It seems to be a cruel joke with the Senior Citizens who have given valuable years of their lives to the service of the Nation.

2. **Inflation in Cost of (OPD) treatment:** Cost of OPD treatment per Card Holder under CGHS, had increased 5 to 6 times since 2003-04 (based on which MoH had initially recommended the amount of Rs. 300 PM plus DA as FMA).

3. As per position given by the MoH in the Meeting of Cabinet Secretaries held on 15-4-2010, the total per card holder expenditure on OPD treatment, had increased from Rs.3570 pa (or say Rs.300 pm) in 2003-04 to Rs.16,435 pa (i.e. Rs.1369 or say Rs. 1400 PM) in 2007-08 (as per information received under RTI Act). Adding to it the proportionate inflation for year up to May 2010 (when the revised amount of FMA was sanctioned), the expenditure per card holder can be placed at over Rs.1650 pm in 2009-10 and Rs.2000 pm in the year 2010-11 – as per details given below:

Sl. No.	Year	Average Annual Cost per CGHS Card Holder (For Treatment under CGHS)			
		Rs. PA	Rs. PM	%rise of cost over previous year	Remarks / Source
1.	2006-07	13713	1142.75	----	As advised by MoH in the Meeting of Secretaries on 15-4-2010 (as per RTI)
2.	2007-08	16435	1369.58	19.65% *	
3.	2009-10	19664	1638.70	19.65%	Estimated on proportionate % rise in the previous year 2006-07 to 2007-08 *
4.	2010-11	23528	1960.66	19.65%	

**Continued on Page – 2**

4. OPD Expenditures was considered for FMA based on discounted cost of Medicines: The cost of OPD treatment Per Card Holder *(as mentioned in Para I above)*, considered by MoH, for basing the proposal for FMA, was based on cost of Medicines purchased under CGHS – with discounts between 12% to 30% (for bulk supply) - as clear in the Note of MoH on item ii) of the Agenda for Meeting of Secretaries held on 15-4-2010 *(as per information received under RTI Act)*. Actual MRP or cost of Medicines payable in the open market for day-to-day treatment *(by Pensioners not getting OPD treatment under CGHS / RELHS)* is much higher than the expenditure considered by MoH.

5. Non-counting of DA or inflation for FMA: Ministry of Health as well as DOP (P&PW) had recommended for linking the FMA with inflation and adding DA – to offset the impact of continuous rise in the cost of Medicines and on Consultations etc for Day-to-Day out-door treatment. But the MoF(E) had not agreed to even this most reasonable proposal of MoH *[made vide their OM F. No. S. 11030/10/2008-CGHS (P) dated 16-9-2008 to secretary DOP (P&PW)]*.

6. Non-revision of FMA for over 12 years – unlike Medical Allowance granted initially:

a) Medical Allowance was initially granted to Central Government employees in June 1986 – with the provision to revise the same every 3 years. This practice was followed up to 1997. But no revision had been done from 1997 to 2010 in the FMA of Rs.100 (granted after Fifth CPC).

b) FMA of Rs.100 granted in 1997 was revised after 13 years in May 2010 *(vide DOP OM dated 18-5-2010 – cited above)* and fixed at Rs.300 PM - as against Rs.800 pm + DA recommended by DOP&PW in 2007 and as against Rs.500 pm + DA recommended by both MoH and DOP&PW in their note for the Meeting of the Secretaries held on 15-4-2010.

7. Rs.1200 PM granted as FMA in EPFO: a) Fixed Medical Allowance (FMA) of Rs.1200 is paid to the Employees & Pensioners of EPFO (*Employees Provident Funds Organisation*) - under Ministry of Labour for day-to-day outdoor treatment *(vide its Circular No. HRM-V/12(1)2003/ FMA/Vol-II dated: 11.1.2010 (Copy of the Office Circular of EPFO is attached as annexure II))*.

b) FMA for employees and Pensioners of EPFO had been revised every third year as many as 5 times between 1997 to 2010 – by as much as 33% in 1997, 25% in 2000, 66.67% in 2003, 140% in 2006 and by 100% in 2010 (thus granting Rs. 120 from 1-1-97, Rs.150 from 14-3-2000, Rs.250 from 1-1-2003, Rs.600 from 1-1-2006 and Rs.1200 as FMA from 1-1-2009 *(as per details in Annexure III)* – based on rise in the cost of Medicines & Consultation for day-to-day treatment.

c) All these revisions of FMA by EPFO were apparently done – with the approval of the Ministry of Finance / the Government. Section 5D(7) of (EPF Act) provides that rules and orders applicable to Officers & Employees of the Central Government shall be applicable to the Officers & Employees of the Central Board of EPFO. However, it has been provided that where the Central Board (of EPFO) is of the view that it is necessary to make a departure from the said rules or orders, in respect of any of the matters aforesaid, it shall obtain the prior approval of the Central Government.

8. a) Once the Government / MoF had approved the revision of FMA for employees and Pensioners of EPFO to Rs.600 PM from 1-1-2006 and Rs.1200 PM wef 1-1-2009 there was no reason or justification for the Government to turn down the demand of equivalent FMA for Central Government employees & pensioners – as demanded by JCM, SCOVA, and Associations representing the Pensioners and others.

b) At least it should not have been lower than that proposed by DOP and MOH – who had proposed Rs. 500 + DA PM as FMA – even though it was very much on the lower side.

9. a) It was accepted by MoS (P&PW) in the Meeting of SCOVA (held on 20-9-2010) that the “amount of Rs.300 per month (as FMA) appears to be inadequate but the Government could not increase it further due to constraints of resources”.

b) Resources should not be allowed to come in the way of providing the requisite means for proper treatment in the old age of the frail and ailing Senior Citizens - suffering from numerous chronic and other day-to-day medical problems. The constraint of resources – *as cited by the Government (as mentioned by MoS in the said meeting of SCOVA)* - is totally unjustified especially in respect of an item like Fixed Medical Allowance to Pensioners, in view of the following facts:

*Continued on Page – 3*

i) Responsibility of the Government towards health care of Pensioners – even if they are not members of CGHS / RELHS – as upheld by the various courts in numerous cases.  
(Ref: *Suraj Bhan vs Govt. Of N.C.T. Of Delhi & Others on 12 March, 2010*).

ii) Observations of the Apex Court in Nakara's case:

*".....when the employee was physically and mentally alert, he rendered unto his master the best, expecting him (his master) to look after him in the fall of life and that socio-economic justice would be rendered to those who in the heyday of their life, ceaselessly toiled for the employer on an assurance that in their old age, they would not be left in the lurch. Pension and Medical facility are such assurances, which are most needed when physical & mental prowess is ebbing, corresponding to aging process.*

10. In the Meeting of JCM (NC) held on 18-5-2011, Official Side had agreed to ask MoH to review the FMA – (in response to Agenda item no 9). But it is regretted that the proposal since given by MoH for increase of FMA to Rs.500 PM had again been turned down by the MoS (Finance) – thus going back on their assurance to Staff side in the JCM (NC).

11. Insurance Scheme can't cover day-to-treatment – as advised by MoH: Sixth Pay Commission had proposed introduction of Medical Insurance for the Central Government employees and Pensioners. But no Insurance scheme would cover the OPD or day-to-day "Domiciliary" treatment; and in case it is to be covered – the premium will be very high – (as mentioned by representative of MoH in the Meeting of Secretaries held on 15-4-2010 -vide Para 3 of the Minutes of the Meeting – as per information received under RTI).

12. a) Majority of the Pensioners don't have access to CGHS / RELHS facility: Majority of the Pensioners are residing in the non-CGHS / non-RELHS areas. They have to perforce purchase medicines from the open market and pay for consultation for day-to-day treatment – cost of which is ever rising – much above the amount of FMA paid to those who have opted out of OPD facility – since residing away from the facilities provided under the said schemes.

b) Cost of treatment requiring Hospitalisation and or specialized treatment is exorbitant. But those who are not members of CGHS / RELHS have to pay for any type of treatment (including Hospitalisation and or specialized treatment as well as for Out-door treatment).

c) Those that have not joined the CGHS / RELHS are discriminated against those who have joined it as they are getting free OPD treatment, free Hospitalisation and free specialized treatment or reimbursement thereof - under the said schemes.

13. It is, therefore, requested that:

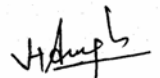
a) Fixed Medical Allowance (FMA) to Pensioners and Family Pensioners (who opt out of OPD treatment under CGHS / RELHS – as *residing at a distance from the CGHS / RELHS facilities*) may be enhanced to Rs.1200 p.m. for "Out Door Treatment" (at par with EPFO & In proportion to the average expenditure of Rs.2000 per head/pm on OPD Treatment in CGHS).

b) i) FMA may be revised periodically (once every 3 years) to compensate for rise of cost of Medicines and treatment – at par with employees & Pensioners of EPFO;

OR ii) DA be granted on the FMA to compensate for phenomenal rise of cost of Medicines and treatment – (as proposed by DOP (P&PW) and MoH) – (as has now been done in case of Transport Allowance for which DA is now counted), to avoid periodic review.

Thanking you in anticipation, with kind regards,

Yours sincerely,



(Harchandan Singh),  
Secretary General, RSCWS

*Copy for information & favourable consideration to:*

1. Secretary, Ministry of Finance (Expenditure), North Block, New Delhi.
2. Secretary, Ministry of Personnel, PG & Pension, 5<sup>th</sup> Floor, Sardar Patel Bhawan, New Delhi
3. Secretary, Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi,
4. Director, Deptt. of Pension & Pensioners Welfare, Lok Nayak Bhawan, Khan Market New Delhi