

RAILWAYS SENIOR CITIZENS WELFARE SOCIETY

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No. RSCWS/ Memo / PM / FMA / 2012 - 1		Dated: 11-2-2012

1. Shri Manmohan Singh, Hon'ble Prime Minister of India & Minister of Personnel, PG & Pension, New Delhi.
2. Shri Pranab Mukherjee, Hon'ble Minister of Finance, New Delhi.
3. Shri V. Narayanasamy MoS, Personnel, PG & Pension, New Delhi

Dear Sir,

**Subject: Revision of Fixed Medical Allowance (FMA) to the Central Government Pensioners
- Appeal for -**

Reference: DOP (P&PW) Office Memorandum No. 4/252008-P&PW(D) Dated 26-5-2010

We seek your benign intervention in an issue of extreme hardship for Central Government Pensioners on account of extremely meager amount of Rs.300 p.m. granted as Fixed Medical Allowance (FMA) - to those Pensioners who had not joined the CGHS/RELHS or had opted out of OPD facility - (*vide DOP OM cited above – Copy attached as Annexure I*).

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. Kind attention is invited to the following facts:

1. **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*). 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%	

2. **OPD Expenditures considered for FMA based on discounted cost of Medicines:** The cost of OPD treatment Per Card Holder (*as mentioned in Para 1 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 - per card holder on OPD treatment.

(Continued –2)

3. 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 off set the impact of continuous rise in the cost of Medicines and 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)*].

4. 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.

5. 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 submitted 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 EPF. However, it has been provided that where the Central Board (of EPF) 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.

6. 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.

7. 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) 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).

c) We have as such been left with no alternative except to appeal to you – as head of the Government, on grounds of mercy, compassion and justice for the old & harassed Pensioners.

c) 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:

- 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;
- 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.

8. Insurance Scheme can't cover OPD 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).

9. 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 purchase medicines from the open market and pay for consultation for day-to-day treatment – cost of which is ever rising – much above the paltry amount of FMA paid for day-to-day treatment 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.

10. 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 facilities*) may be enhanced to Rs.1200 p.m. for “Out Door Treatment” (at par with EPFO);

b) i) FMA may be revised periodically (once every 3 years) to compensate for rise of cost of Medicines and treatment – as for 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.

With kind regards;

Yours faithfully,

(Harchandan Singh),
Secretary General, RSCWS

Copy for information & kind consideration to:

1. Secretary, Ministry of Finance (Expenditure), North Block, New Delhi.
2. Secretary, Ministry of Personnel, PG & Pension, Lok Nayak Bhawan, Khan Market New Delhi
3. Secretary, Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi,
4. Member Staff, Railway Board, Rail Bhavan, New Delhi
5. Director, Deptt of Pension & Pensioners Welfare, Lok Nayak Bhawan, Khan Market New Delhi
6. Director (PP), Ministry of Personnel, Public Grievances & Pension, Lok Nayak Bhawan, New Delhi

NO.4/25/2008-P&PW(D)
GOVERNMENT OF INDIA
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES & PENSIONS
(DEPARTMENT OF PENSION & PENSIONERS' WELFARE)

3rd Floor, Lok Nayak Bhawan, Khan Market,
New Delhi-110 003, Dated the 26 May 2010.

OFFICE MEMORANDUM

Subject: Grant of Fixed Medical Allowance (FMA) to the Central Government Pensioners residing in areas not covered under CGHS.

The undersigned is directed to say that in pursuance of Government's decision on the recommendations of Fifth Central Pay Commission, the Govt. had issued instruction vide this Department's O.M. No.45/57/97-P&PW(C) dated 19.12.97 for grant of Fixed Medical Allowance @ Rs.100/- per month to the Central Government pensioners/family pensioners residing in areas not covered under Central Government Health Scheme administered by the Ministry of Health & Family Welfare and corresponding health schemes administered by other Ministries/Departments for their retired employees for meeting expenditure on their day-to-day medical expenses that do not require hospitalization. Further clarifications were issued vide this Department's O.M. Nos. 45/57/97-P&PW(C) dated 24.8.98, 30.12.98 and 18.8.99.

2. The demand for enhancement of FMA has been under consideration of the Government for some time past. Sanction of the President is hereby conveyed for enhancement of the amount of FMA from Rs.100/- to Rs.300/- per month. The other conditions for grant of FMA shall continue to be in force.

3. These orders will take effect from 01.09.2008.

4. These orders are issued with the concurrence of the Ministry of Finance (Deptt. of Expenditure) vide their I.D. Note No 347/E.V/2010 dated 14.5.2010 and in consultation with the Comptroller and Auditor General of India vide their UO No. 36-Audit (Rules)/28-2—9 dated 26.5.2010.

6. Hindi version will follow.


(Raj Singh)
Director

To
All Ministries/Departments (as per mailing list)

Copy to:

✓ 1. NIC, for publishing on DOP&PW's Website www.pensionersportal.com.in
under head 'circulars' sub head 'Fixed Medical Allowance'.

2. Hindi Section, Deptt. of Personnel and Training, North Block for Hindi version

EMPLOYEES' PROVIDENT FUND ORGANISATION
MINISTRY OF LABOUR AND EMPLOYMENT, GOVERNMENT OF INDIA
HEAD QUARTERS

Bhav..ishya Nidhi Bhawan, 14, Bhikaiji Cama Place, New Delhi 110066

www.epfindiamov.in: www.erpfindia.nicin

File No. HRM-V/12(1)2003/FMA/Vol-II

Dated : 11 JAN 2010

To

All Addl. Central-Provident Fund Commissioner (Zones)

Director NATRSS

All Regional Provident Fund Commissioners in-charge of the Regions

All Officers in-charge(Sub Regional Office)

All Officers in-Charge(ZTIs)

RPFC(ASD) Head Office

Subject:- Enhancement in the rate of Fixed Medical Allowance, payable to the serving as well as retired employees of the EPFO for outdoor medical treatment - regarding.

Sir,

I am directed to convey the approval of the 67 th Executive Committee, held on 4.12.2009;CBT EPF for enhancement of the Fixed Medical Allowance _ (FMA) from Rs.600/.p.m. (Rupees Six hundred only) to Rs. 1200/- p.m.(Rupees one thousand two hundred only). This enhancement will be effective from 1 st January, 2009 and subject to the following conditions.

(i) The enhancement of fixed medical allowance will be available to_serving employees and pensioners (including family pensioners) of the Employees Provident Fund Organization. The serving employees of the Organization who are in the Head Office at New Delhi and Regional / Sub Regional Office at Delhi and at stations which are covered by the Central Government Health Scheme will not be eligible for Fixed Medical Allowance. As soon as any employees is covered by Central Government Health Scheme , the fixed medical allowance admissible to him/ her shall be stopped.

(ii) If two or more members of family-are working in the EPF Organisation, only one of them will be eligible for the facility of fixed medical Allowance.

(iii) In the case of an employee whose wife / husband spouse is an employee of a Government or any other organization (including private Firm /Office) he/she will be required to give an undertaking that his /her spouse is not availing of medical facilities in cash, if any granted by their respective employees.

(iv) The Fixed Medical Allowance will be in lieu of the medical facility available for outdoor treatment under-the Central Services (Medical Attendance) Rules, 1944 as adopted by the EPF Organisation for its own employees and pensioners.

Your faithfully

(V.P. Ramaiah)

Additional Central Provident Fund Commissioner (HR)

11-1-10

ANNEXURE III

REVISION OF FMA IN EPFO

Sl. No.	Date of effect	Amount of FMA PM Rs	%age rise
1.	1-1-1994	90	50%
2.	1-1-1997	120	33%
3.	14-3-2000	150	25%
4.	1-1-2003	250	66.67
5.	1-1-2006	600	140%
6.	1-1-2009	1200	100 %