

F. No.B.12012/03/2010-CGHS (P)  
Government of India,  
Ministry of Health & Family Welfare  
Department of Health & Family Welfare

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Nirman Bhawan, New Delhi  
Dated the 6<sup>th</sup> June, 2011.

Subject: - Minutes of the meeting held on 14/7/2010 regarding proposed Central Government Employees and Pensioners Health Insurance Scheme – regarding.

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The undersigned is directed to enclose a copy of the Minutes of the meeting of Staff Side Members of National Council (JCM) with Joint Secretary (Regulation), Ministry of Health & Family Welfare held on 14/07/2010 regarding proposed Central Government Employees and Pensioners Health Insurance Scheme (CGEPHIS) for information and further necessary action, if any.

  
(JAI PRAKASH)

Under Secretary to the Govt. of India.  
(Tel.23061881)

To,

1. Shri S.K. Vyas, General Secretary, Staff Side.13-C, Feroze Shah Road, New Delhi.
2. Shri C. Srikumar, AIDEF, OCF, Avadi, Chennai (Tamil Nadu).
3. Shri Shiv Gopal Mishra, Gauri Niwas, Mavaiys, AIRF, Lucknow (Uttara Pradesh).
4. Guman Singh, B-9, Lane No.6, Nand Puri, Hawa Sadak, 22 Godam, Jaipur (Rajasthan).

Copy for information to:-

1. PPS to AS&DG, CGHS.
2. Shri R. Ravi, Director, MOHFW.
3. Shri V.P. Singh, Deputy Secretary, MOHFW.
4. Dr. D.K. Borah Additional DDG.(HQ), CGHS, Nirman Bhavan, New Delhi.
5. Dr. S.P. Goswamy, National Consultant (HI), MOHFW.

  
(JAI PRAKASH)

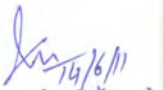
Under Secretary to the Govt. of India.

A.I.R.F.

No. AIRF)

Dated: June 14, 2011

Forwarded to GSP, all affiliated Unions, along with a copy of enclosures, as mentioned in the above cited letter.

  
14/6/11  
(R.K. Mishra)

**Minutes of the meeting of Staff Side Members of National Council (JCM) with Joint Secretary (Regulation) held on 14/07/2010 at 11: 00 AM in the Committee Room of Ministry of Health and Family Welfare, Nirman Bhawan, New Delhi on the proposed Health Insurance Scheme for Central Government employees and pensioners**

Shri Vineet Chawdhry, Joint Secretary (Regulation) M/o Health and Family Welfare held a meeting with staff side members of National Council (JCM) on 14<sup>th</sup> July, 2010. List of the participants in the meeting is at Annexure.

At the outset, Chairman welcomed the Staff Side members of National Council (JCM) to the meeting to discuss the proposed Central Government Employees & Pensioners Health Insurance Scheme (CGEPHIS), to be rolled out in compliance of the recommendation of Sixth Central Pay Commission and to directions of Committee of Secretaries (COS). He informed the members about the salient features of the Scheme which had already been circulated, and said that:

- The proposed scheme shall be compulsory for new appointees and new retirees and would be voluntary for existing pensioners and employees.
- Government may bear upto 75% of the insurance premium share as a subsidy depending upon the eligible categories of the employee. The remaining portion of the premium will be borne by the members as is being done for CGHS.
- Scheme will have no age limit, therefore member of any age can join the scheme.
- All pre existing diseases will be covered from day one.
- He further stated that OPD benefit is not available under the Insurance scheme due to various constraints, however, free OPD consultation will be provided by the networked hospitals and also they will charge the discounted CGHS rates for diagnostics procedures if prescribed during OPD consultation. However, cost of medicines will not be covered in such cases.
- The scheme will operate on cashless basis on the lines of existing CGHS packages for the treatment taken in the networked hospitals by pensioners beneficiaries and no money is to be paid by the members to the hospitals.
- The 'family' under CGEPHIS has been defined as self, spouse two dependent children and two dependent parents. Dependency criteria will remain same as applicable under CGHS. For including any additional member as a beneficiary under the scheme, the beneficiary would have to bear the entire premium on the additional member without it being subsidized by the Government.
- The Insurance cover for the family will be Rs. 5 lakh and it will operate on family floater basis. In addition to this, a provision has also been made to create a corporate buffer of Rs. 25 Crore to take care of eventualities in cases

where the above limited is exhausted fully and the member/ beneficiary is still undergoing treatment. In other words, although a monetary limit of Rs 5 lakh has been kept as insurance cover for the family but it is only to decide the insurance premium with the Insurer. In fact, the members will enjoy an unlimited cover for their medical treatment under this Health Insurance Scheme too. Anything over and above Rs. 5 lakh will be borne by the Government.

- Pre and post hospitalization benefits would also be available to the members.
- Insurance premium to be paid would be deducted from the salary of the serving employees and pensioners would authorize their banks to deduct the applicable premium.
- There will be a provision in the scheme for the beneficiaries to opt out of the scheme after three years.

Shri V P Singh, Deputy Secretary (Medical services) informed the members that the Ministry conducted a 'Demand Survey' and gave wide publicity through newspaper advertisements all over India and invited response from the target population i.e., employees and pensioners who are willing to join the Scheme when it becomes operational. It was hosted on the website of the Ministry and CGHS website and willingness was invited through email too. The response have been quite encouraging and around 16,000 responses have been received which are being compiled for analysis. Majority of the response were from Non CGHS area and people have shown their willingness to join the scheme. The staff side requested that the outcome of the 'Demand Survey' may also be shared with them on its completion, which was agreed to.

He also informed that as per the information made available by IRDA, 97% of the claims settled by the Insurance companies involved amount of less than Rs 3 lakh annually. Only 0.35 % of the claims were for amount exceeding Rs. 5 lakh annually, the balance falling between the Rs 3 to 5 lakh. Hence the proposed insurance cover of Rs 5 lakh would be adequate for the beneficiaries.

DR S P Goswamy, National Consultant (Health Insurance), Ministry of Health and Family Welfare informed the members that most of the benefits available under CGHS have been made a part of the CGEPHIS. The CGEPHIS is almost a replica of CGHS. Most of the defined day-care procedures which are covered in CGHS under OPD have been made part of the scheme. Further, in such cases where patients require hospitalization, but the condition of the patient is such that he cannot be shifted to hospital or bed is not available, CGEPHIS shall provide for such medical treatment under domiciliary hospitalization. These cases are part of OPD in CGHS

Chairman further informed the Staff Side that all possible efforts have been made to make the Scheme suitable for the employees and pensioners retaining in it

all the important features of CGHS and CS(MA) Rules, 1944, so that it attracts the target group and provide a freedom of choice in the hands of employees and pensioners, to select the best suitable scheme for them. He sought the views of the Staff Side members of JCM on the Scheme.

Opening the discussion from the Staff Side, Shri S.K.Vyas Member(Staff side) JCM informed the meeting of their collective view on the scheme and stated that they have been opposing the Health Insurance Scheme all along and they still hold the view that CS(MA) Rules, 1944 is more suitable and it may be extended to all non CGHS areas and should provide cover to the pensioners who have been deprived of this medical facility since long. He further opined that the proposed scheme will also deprive the existing benefits available to the employees and pensioners viz. OPD facilities, coverage to all dependent family members etc. Extension of CS(MA) Rules, 1944, to all pensioners living in Non CGHS areas is their long pending demand. The Staff side unanimously stated that if the Government has already made up its mind to introduce Insurance Scheme, it should be implemented with the following points given due consideration before introduction of the scheme, so that it attracts the prospective members to join the scheme:

- The Scheme should not be made compulsory for the future employees and pensioners. A voluntary option for joining the scheme must be given to all future employees and pensioners. The choice must be left to them. Especially the future retirees should not be deprived of the CGHS benefits that they have been availing during their service period as per the present scheme.
- All eligible dependent members of the family may be allowed to join the scheme without any additional financial burden on members. This is being done in the existing CGHS and no financial burden is being imposed on members. Whatever the liability of premium for additional members is worked out; the same may be borne by the Government.
- As the OPD consultation will be free in networked hospital, the cost of medicines on the prevailing guidelines of the CGHS may be reimbursed to the members. Else, an amount to Rs. 1000 +DA per month as Fixed Medical Allowance (FMA) be paid to them on the analogy of the Transport Allowance. The revised amount of Rs. 300/- per month as FMA is inadequate, considering the ever increasing cost of the medical treatment under the present inflationary conditions.
- The annual contribution to be made by the employee as his share of the Insurance premium for the Health Insurance policy should not in any case be more than the CGHS contribution applicable for him.
- Life time contribution in respect of insurance premium may be taken from the pensioners as per the present CGHS provisions (for ten years for life time benefit) and rest may be borne by the government.

Staff side raised the point about the implementation process of the scheme and enquired about the number of Insurance companies that may be involved in this scheme, as insurers to cover the entire country. Chairman informed the members that it will depend upon the future scenario as it emerges in due course.

Shri S.K. Vyas reiterated his opinion that the extension of CS(MA) Rules, 1944, to the pensioners living in non CGHS areas would be more economical and cost effective way of addressing their health related issues in comparison to the proposed Health Insurance Scheme (CGEPHIS).

Shri C. Srikumar raised the issue of revision of Fixed Medical Allowance (FMA) to those employees who are posted in remote areas where AMA is not available. Since the Government has already issued order for revising the FMA for pensioners, necessary order for serving employees may also be issued.

Chairman assured the Staff Side members of the National Council(JCM) that the Ministry will look into the points raised by them seriously and the concerns expressed by them and suggestions made by them will be given due consideration while finalising the Scheme.

The meeting ended with a vote of thanks to the chair.