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CIRCULATION NOTE

File.No.3640/TNHSP/Ins/2016

Sub: Tamil Nadu Health Systems Project – Chief Minister’s Comprehensive Health Insurance Scheme – Continuation of the scheme from 11.01.2017 - floating of tender to select the Public Sector Insurance Company – Tender document submitted for State Empowered Committee(tender accepting authority) approval- Reg.

- Ref:**
1. G.O.Ms No.169/H&FW Dept.
Dt.11.07.2011.
 2. G.O.Ms No.189/H&FW Dept.
Dt.29.07.2011.
 3. G.O.Ms No.4/H&FW Dept. Dt.06.01.2016.
 4. G.O.MS No. 268/H&FW (EAP I/1) Dept.
Dt:1711.16

It is submitted that based on Government orders 1st and 2nd cited Chief Minister’s Comprehensive Health Insurance Scheme (CMCHIS) is implemented by Tamil Nadu Health system project through the United India Insurance Company Ltd

(a Public Sector undertaking). The scheme covers members of any family whose annual family income is less than Rs.72,000 and the sum assured is Rs.1 lakh per year per family along with a provision to pay up to Rs.1.5 lakh for certain specified 77 procedures. Hence up to Rs.4 lakh coverage is being provided to each family in 4 years. The scheme covers 1,016 procedures which include 23 important diagnostic procedures and 113 follow up procedures. So far, 1.58 crore smart cards have been distributed in the districts. Insurance company is paid premium of Rs.497/- per family per year. This is one of the flagship schemes of the Government of Tamil Nadu launched with the objective of ensuring Universal Health Coverage and providing state of art treatment facilities in the Government and Private sector to the needy.

The scheme was inaugurated with effect from 11.01.2012. Vide the G.O. 3rd cited Govt. issued orders for the extension of the scheme for one more year , as per existing tender terms and conditions , which provides for extension for one year on mutual consent. The performance of the existing scheme till now may be seen in Annexure-I.

The Government issued the administrative sanction and financial sanction for the continuance of CMCHIS with effect from 11.01.2017 vide ref. 4th cited.

Based on the above Government orders, to continue the scheme, from 11.01.2017 tender has to be called for to select the Public Sector Insurance Company and one month time has to be given for the receipt of tenders from the national bidders. The formalities to approve and select the

Insurance Company with SEC approval in order to implement the scheme will also take time. Further the selected Insurance Company may need at least one month time to establish the facilities. In view of shortage of time to complete the above process, it is submitted that the Project Director, Tamil Nadu Health Systems Project may be permitted to float short tender by giving a time of 15 days only as per sub rule 2 under rule 20 of the Tamil Nadu Transparency in Tenders Rules, 2000.

The Proposed changes in the new Tender Document as follows:-

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Changes proposed in the Tender to select the Public sector Insurance Company

Sl. No.	Existing norms ^{Existing}	Proposed norms ^{New Terms}
1	Sum insured – The coverage will be 1 Lakh / 1.5 Lakhs ^(specialised procedure)	Sum insured – The coverage will be 1 Lakh / 2 Lakhs ^(specialised procedure)
2	Payment of premium- Quarterly premium payment method was followed.	The premium will be paid as per the Government employees tender. 95% of the annual premium will be paid at the commencement of that year may bring down the premium
3.	<p><u>Procedures:</u></p> <p>1016 medical & surgical treatment procedures</p> <p>77 specialized procedures</p> <p>113 follow up procedures</p> <p>23 standalone diagnostic procedures</p> <p>56 procedures out of 162 reserved for Govt. Health Facilities</p> <p>No primary care procedures</p> <p>5 high end procedures.</p> <p>Those cases will be approved after the committee approval in TNHSP</p> <p>Unlisted procedures are not covered as a norm.</p>	<p><u>Procedures:</u></p> <p>1051 medical & surgical treatment procedures (Annexure C)</p> <p>157 specialized procedures (Annexure D)</p> <p>157 follow up procedures (Annexure E)</p> <p>38 standalone diagnostic procedures(Annexure F)</p> <p>163 procedures proposed to reserved for Govt. Health Facilities (Annexure G)</p> <p>6 primary care procedures (Restricted to CHCs) (Annexure H)</p> <p>8 high end procedures .Will be approved on specific government/committee approval where insurance company liability is restricted to 2 lakh only and preauth/claim processing. (Annexure I)</p> <p>Unlisted procedures ^{are not covered as a} may be supported by corpus fund by obtaining suitable GOs. norm</p>

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4	Migrants were not included	Migrants resided for more than six months in the state as certified by suitable authority will be included after the payment of premium. ^{for} by migrants /employees ^{by} Labor department, may be requested to support for this.
5	Orphans were proposed to issue a single card	Orphans as defined by the state government will be given single card
6	Refund - Only refund clause was applicable if the ICR is less than 80%. No compensation clause	Refund - Refund clause will be applicable if the ICR is less than 90%. Compensation - Compensation clause will be applicable if the ICR is more than 110%
7	The Health Insurance Identity card (Smart card) cost of Rs.50	Existing health insurance card shall be continued. However . Provision to download and print electronic cards. can be quoted separately.
8	New enrollments done only in the district kiosks	In addition to the district kiosks, Community service centers may be used
9	Beneficiary not linked with Aadhaar	A mechanism will be developed in consultation with TNeGA to link with Aadhaar
10	De duplication was not mandated in the tender	It is proposed to implement the mechanism for De-duplication ^{De dupl is not mand as data base is linked}
11	EDC committee will decide on empanelment of the hospitals.	EDC will continue. All the eligible hospitals will be considered for empanelment. There is no restriction on the number of hospitals to be empaneled

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12	Except for minimal requirement for empanelment there is no specific quality parameters	The Quality assurance standard of Government Of India / NABH entry-level accreditation of hospitals is going to be insisted for all the hospitals including the Government hospitals. The process to be completed within 12 months time.
13	TAT is applicable only to the insurers	TAT will be applicable to both the insurers and the empaneled hospitals in replying the queries.
14	The health records of the patients cannot be seen in the website	Minimal access to his/her health records will be provided
15	Penalty clause more generalized	Penalty up to 5 times the package amount on violation for each occasion to the hospitals/ Insurance company
16	General Grievance redressal mechanism was existing	All grievances should be acknowledged immediately and updated within 3-7 working days. Individual grievance tracking to be made available in the website including the complaints against the empaneled hospitals.
17	Provision to implement other schemes was not available	Provision to implement other schemes like Government Of India will be available.
18	Eligible persons name was not listed transparently in the public domain	The details will be uploaded in the website for transparency.

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19	The beneficiary is ineligible if the income exceeds Rs.72,000/- per year Removal of " Ineligible" names from the scheme was not practiced.	" Ineligible " persons will be ^{included in} removed from the scheme
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The detailed tender document along with guidelines, procedures is enclosed here with.

As per G.O 4th cited, the State Empowered Committee is the tender approving authority.

Hence the proposal in this note is submitted for permitting.

i) Project Director, Tamil Nadu Health Systems Project, Chennai, to float the tender as per the time lines enclosed and allow tender inviting authority to float a short tender with 15 days duration.

ii) Approval of Tender document along with treatment procedures for CMCHIS to be continued

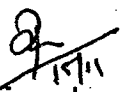
from 11.01.2017. (enclosed). *The Amendment clause may be modified as per TNTT Act to allow change up to 48 hrs before opening*


iii) In view of limited duration of time to float tender and other formalities to continue this

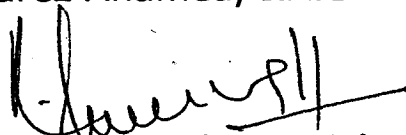
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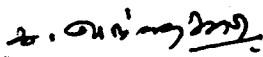
scheme from 11.01.2017, it is submitted to State Empowered Committee to approve the tender document on circulation.


Project Director (i/c) TNHSP & Mission Director, SHS.,
(Dr. Darez Ahamed, I.A.S)



Principal Secretary,
H & FW Dept.,
(Dr. J. Radhakrishnan, I.A.S.,)

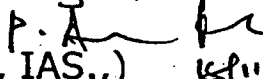

DME
(Dr. Narayana Babu, M.D.,)


DMS
(Dr. K. Senguttuvan, M.D.,)


DPH & PM
Dr. K. Kolandaisamy, MBBS, M.A.E, DPH, DIH

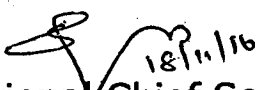
ON LEAVE
CMA
(Thiru. G. Prakash, I.A.S.,)

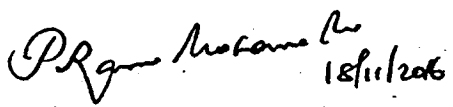

Secretary, Revenue Department
(Dr. B. Chandramohan, I.A.S.,)

Inter-state Migrant construction workers registered with TN e-work card be paid premium by the board
Secretary L&E, P. A. 
(Tmt P. Amudha, IAS.,) 15/11


Principal Secretary, MA & WS
(Thiru. Phanindra Reddy, I.A.S.,)


Principal Secretary / Commissioner of RA
(Dr. K. Satyagopal, IAS.,)


Additional Chief Secretary,
Finance
(Thiru. K. Shanmugam, I.A.S.,)


Chief Secretary to Government
18/11/2016

Annexure - I

Preauthorisation & Claims as on 31.10.2016

Status	Total (Private + GH) 744 (590 + 154)		GH PREAUTH (154)	
	Numbers	Amount (in Rs.)	Numbers	Amount (in Rs.)
Preauth	16.76 Lakhs	3455 crores	6.75 Lakhs (40%)	1228 crores (36%)
Claims	15.99 Lakhs	3154 crores	6.37 Lakhs (40%)	1071 crores (34%)

High End Procedures as on 31.10.16

PROCEDURE	APPROVED (4008)		SURGERY DONE	TOTAL APPROVED AMOUNT in Rs.
	Govt.	Private		
COCHLEAR IMPLANT	268	2121	2170	188 crores
RENAL TRANSPLANT	176	1026	875	48 crores
LIVER TRANSPLANT	53	108	58	35 crores
BONE MARROW TRANSPLANT	0	245	149	23 crores
STEM CELL TRANSPLANT	0	11	7	1 crores
TOTAL	497	3511	3259	296 crores

- Corpus fund earned - **193.21crores**
(25 + 10 Crores-given by the Government)
- Corpus fund spent - **182.48 crores**

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ANNEXURE - 2

Tentative time schedule for implementation of the scheme :

S. No (1)	Details (2)	Date (3)
1	Notification of bid in the newspaper	21.11.2016
2	Tender document made available in the website and office	22.11.2016
3	Pre bid meeting with the bidders	28.11.2016
4	Last date for receipt of tenders and opening of tenders	05.12.2016
5	Completion of scrutiny of tenders	06.12.2016
6	Finalization and award of tender Within a week from Scrutiny	09.12.2016
7	Signing of agreement	12.12.2016
8	Inauguration of scheme.	11.01.2017

Incurred Claims Ratio(ICR) without administrative cost

S.no	Year	ICR
1.	1 st year	74.48%
2.	2 nd year	108.63%
3.	3 rd year	107.56%
4.	4 th year	107.26%
5.	5 th year	105% (Estimated)

As instructed by the Additional Chief Secretary, Finance department, Aadhaar seeding of the database is being done through SRDH/ TNeGAas on now pilot in two districts is going on and expected to cover around 60% of the existing data with Aadhar seeding.