

REPLY TO PAPER NEWS PUBLISHED ON 09.05.2017

The Government Health Insurance Scheme (Chief Minister's Insurance Scheme for life saving treatments) was introduced in the State in the year 2009 to ensure that low income people who cannot afford costly treatment are able to get free treatment in Govt. as well as private hospital for such serious ailments. The scheme commenced on 23.07.2009. The Insurance coverage was upto Rs.1/- lakh / 4 years and Govt. paid the premium for the families covered under the scheme. After observing the formalities for tender Star Health and Allied Insurance Company was selected to implement the scheme. The premium approved was Rs.469/- + ST per annum / per family. As per G.O. (Ms) No.146/Health and Family Welfare Dept. Dt:03.06.2011 the scheme was terminated in order to launch a New Comprehensive Health Scheme to achieve the objective of Universal Health Care.

In order to achieve the objective of Universal Health Care to the People of Tamil Nadu, the Government issued orders in G.O. (Ms) No.169/Health and Family Welfare Dept. Dt:11.07.2011 for implementation of New Insurance Scheme, in the name of Chief Minister's Comprehensive Health Insurance Scheme. In G.O. (Ms) No.275/Health and Family Welfare Dept. Dt:02.11.2011 Govt. issued orders to select Public Sector Insurance Company for the implementation of insurance scheme. After observing the formalities for tender United India Insurance Company Ltd., (Govt. of India under taking) was selected to implement the scheme and were paid premium at the

rate of Rs 497/- per family per annum + Service Tax. The scheme was inaugurated by the Hon'ble Chief Minister on 11.01.2012. The concept of the Insurance scheme is to pay the premium in advance and then avail the service / benefit of the scheme during the Insurance coverage period. In all Insurance schemes including Private health insurance policies entire 100% premium has to be paid in advance and in some schemes the benefit will commence only after 6 months. In Chief Minister's Comprehensive Health Insurance Scheme pre existing diseases were also covered and the coverage was from the 1st day of the premium paid. As per tender document the selected Public Sector Insurance Company is authorized to appoint TPAs to administer the scheme. Hence TPAs were appointed by the M/s. United India Insurance Company Ltd as per procedure and there is no role for the Govt. in this regard.

As per the announcement in the Assembly, Chief Minister's Comprehensive Health Insurance Scheme continued from 11.01.2017. In G.O. (Ms) No.268/Health and Family Welfare Dept. Dt:17.11.2016 the Govt. have issued administrative sanction for the continuance of Chief Minister's Comprehensive Health Insurance Scheme with effect from 11.01.2017. The Project Director, Tamil Nadu Health Systems Project has been permitted to float tender to select the Public Sector Insurance Company with the approval of State Empowered Committee to implement the scheme from 11.01.2017.

The tender document for the new policy was prepared with experts along with Tmt.Girija Vaidyanathan, I.A.S, then Additional Chief Secretary,

Dr.Umanath, I.A.S., then Additional Secretary, Finance Department, Thiru.Pankajkumar Bansal, I.A.S, former Project Director, Tamil Nadu Health Systems Project. In addition inputs from various experts given in the International conference at Chennai held in Aug'2016 have also been taken in to account. Finally on 12.10.2016 a meeting was convened at Tamil Nadu Health Systems Project for discussion with the above experts and draft tender document was finalized. The tender document was then approved by State Empowered Committee on 18.11.2016 with Members (Apart from HODs of Health Dept. Health Secretary the other officers viz. Secretary Revenue, Secretary L&E, Principal Secretary, MA & WS, Principal Secretary / Commissioner of RA, Additional Chief Secretary, Finance Chief Secretary to Government).

As per tender document premium will be paid as per existing Govt. employees scheme tender i.e. 95% of annual premium to be paid at the commencement of the year. This was added mainly to bring down the annual premium to be quoted by the Insurance Companies in the tender. Tender document has been got vetted by the Thiru.V.Sethuraman, Additional Advocate General -1 High Court of Madras. On approval of tender document by the SEC, in Government letter No.42914/EAP1/1/2016-1 Health and Family Welfare Dept. dt:18.11.2016, the Project Director has been instructed to float short tender with 15 days as per timelines approved in according with Tamil Nadu Transparency in Tenders Act 1998 and the Rules framed therein to select Public Sector Insurance Company to implement the scheme from 11.01.2017 for a period of 5 years.

Accordingly publication of tender advertisement was released through the Director of information Public Relations Department as per Transparency in Tenders Act 1998 and the Rules framed there in. The tender document was uploaded in the website: www.tenders.tn.gov.in, as such anybody can see the tender document along with terms and conditions incorporated for implementing the Scheme. As per the advertisement pre-bid meeting was conducted on 28.11.2016. As per the schedule tender was opened on 05.12.2016 at 4.30 P.M. in spite of the problems prevailed in the State (serious health condition of Ex-CM) by the tender scrutiny committee (DRO, FA & CAO, JD and CAO). United India Insurance Company Ltd (L1 Insurance company) quoted Rs.1056 as their rate. The rate quoted by United India Insurance Company Ltd Rs.1056/- per annum was considered as high and discussion was held to reduce the rate based on the discussion UIIC offered Rs.890/- per annum in their letter dated :08.12.2016. Further UIIC offered rates at Rs.857/- and Rs.749/- in their letters dated :19.12.2016 and 02.01.2017 respectively.

Finally After negotiation on 03.01.2017 by the Principal Secretary to Government, Health and Family Welfare Dept. and Dr.Umanath, I.A.S, with General Manager UIIC they finally offered their rate as Rs.699/- per year Considering the fact that against the 1.58 crore families covered under the scheme initially pending Aadhaar seeding the premium is proposed to be given with a base of 1.34 crore families and the fact that for specialized

procedures amount of coverage has been increased to 2 lakhs from the current amount of Rs 1.5 lakhs and taking note of the other improvements in the scheme by way of introduction of 312 new procedures which have been added and 250 existing procedures which have been merged and 45 low utilization procedures which have been removed making the scheme qualitatively better, the rate offered by UIIC was approved by the SEC members on 05.01.2017 (Apart from HODs of Health Dept. Health Secretary the other officers viz. CMA, Secretary Revenue, Secretary L&E, Principal Secretary, MA&WS, Principal Secretary / Commissioner of RA, Additional Chief Secretary, Finance Chief Secretary to Government 7 I.A.S. Officers including Chief Secretary) and Project Director was permitted to issue letter of award of tender to UIIC to implement the scheme with effect from 11.01.2017.

In G.O. (Ms) No.8 Health and Family Welfare Dept. dt:10.01.2017 the Government have accepted the rate of Rs.699/- and issued financial sanction to implement the scheme and instructed to issue letter of award of tender to UIIC. The award of tender has been issued to UIIC on 10.01.2017 and as per tender document 75% of annual premium for 1.34 crore families Rs.807/- crores has been paid. As per tender document the scheme may be administered through the TPAs. The TPAs are appointed by the selected Public Sector Insurance Company. There is no role for the Government. As such there is no question of excess payment to TPAs and TPAs indulging in corruption activities in finalizing the tender.