



GOVERNMENT OF KERALA

Abstract

Medical Insurance Scheme for State Employees and Pensioners (MEDISEP) - Medical Experts Committee to recommend various Medical/Surgical Packages and Rates for the implementation of MEDISEP – Constituted - Orders issued.

FINANCE (HEALTH INSURANCE) DEPARTMENT

G.O.(Rt)No.10206/2019/Fin.

Dated, Thiruvananthapuram, 28.12.2019

Read:- i) G.O(P) No.54/2017/Fin dated 24.04.2017.

ii) G.O(P) No.87/2019/Fin dated 15.07.2019.

ORDER

As per the Government orders read above, sanction has been accorded for the implementation of Medical insurance scheme to State employees, pensioners / family pensioners and their eligible family members based on the recommendation of Tenth Pay Revision Commission with a provision to avail cashless medical assistance through an insurance company selected by competitive bidding process. Package rates were fixed for medical/surgical procedure. Now the Government has decided that there is need to revise these rates.

In the above circumstances, after examining the matter in detail Government are pleased to constitute a Medical Experts Committee with the following members for fixing and revising the medical/surgical packages and rates, for the effective implementation of MEDISEP.

- i) Dr. Sharmila Mary Joseph, IAS, Principal Secretary : Chairperson
- ii) Prof. V.Ramankutty, Former Head of Department of : Member
Achutha Menon Centre for Health Science Studies at
Sree Chithra Thirunal Institute of Medical Sciences
and Technology
- iii) Dr. Noble Gracious, Associate Professor, Nephrology, : Member
Medical College, Thiruvananthapuram and Nodal
Officer, Kerala Network for Organ Sharing (KNOS)
- iv) Shri. Arun B. Nair, Technical Advisor, MEDISEP : Member

The above committee will evaluate the existing medical/surgical packages and rates published vide Government Order referred 2nd above and act within the purview of the Terms of Reference (ToR) annexed and to submit report to Finance Department within the time schedule of two months.

By Order of the Governor,
MANOJ JOSHI
ADDITIONAL CHIEF SECRETARY (FINANCE)

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.
The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram.
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.
The Director of Medical Education (DME), Thiruvananthapuram.
Dr. Sharmila Mary Joseph, IAS, Principal Secretary, AYUSH.
Prof. V. Ramankutty, Emeritus Professor at the Achutha Menon Centre for
Health Science Studies, Thiruvananthapuram.
Dr. Noble Gracious, Associate Professor, Nephrology, Medical College,
Thiruvananthapuram (through DME)
Shri. Arun.B.Nair, Technical Advisor (MEDISEP)
Stock File/Office Copy.

Forwarded/By Order



Section Officer

ANNEXURE

TERMS OF REFERENCE (ToR)

BACKGROUND

The Tenth Pay Revision Commission has recommended introducing Health Insurance Scheme for employees and pensioners in Kerala. Based on this, the Honorable Finance minister has announced the implementation of the Health Insurance program in the budget speech of 2017-18. Government of Kerala vide GO(P)No.54/2017/Fin dated 24.04.2017 accorded sanction for implementing the Health Insurance Scheme for State Government employees, pensioners and family pensioners. The proposed health insurance scheme will be known as Medical Insurance Scheme for State Employees and Pensioners (MEDISEP).

The scheme is intended to provide comprehensive health insurance coverage to all serving employees of the State Government including the High Court of Kerala who are covered under the existing Kerala Government Servants Medical Attendant Rules [KGSMA Rules, 1960] and pensioners. This also includes newly recruited employees and their family, part time contingent employees, part time teachers, teaching, non-teaching staff of aided schools and colleges and their family and pensioners and their spouses and family pensioners on compulsory basis, and all Civil Service officers serving under the Government of Kerala on optional basis. It is estimated that approximately 5 lakh State Government Employees and 5 lakh pensioners will be beneficiaries of the scheme. In addition to the above mentioned categories employees and pensioners of the universities which receive Grant-in-Aid from the State Government, employees and pensioners of LSGIs , Personal staff etc. will also be part of the scheme.

Objective

The scheme envisages cashless treatment facility to beneficiaries through an insurance company and a network of empanelled hospitals according to the criteria specified by the Government. The benefit package of the scheme would include

- i. Basic Benefit Package: This caters to the benefit package list in which medical, surgical and day care procedures will be covered up to a sum of Rs. Two lakhs per annum for a period of three years.

- ii. Additional Cover for Catastrophic illnesses; This caters to the additional benefit list mentioned in Section B of Annexure 1(to the scheme). For these procedures the scheme shall provide Rupees Six Lakhs for a block period of three years on a floater basis. i.e. the additional coverage of Rs. Two lakhs per annum can be used together within the block period for treatment of catastrophic illnesses. This is in addition to the basic benefit package availed by the beneficiary during the insured period.
- iii. Corpus fund for Catastrophic illnesses: An additional sum of not less than Rs.25 crore per year shall be provided by the Insurer as a corpus fund for specified catastrophic illness enlisted in Section B of Annexure 1(to the scheme). This can be used in case the treatment expenses exceed the additional coverage listed in Section B of Annexure 1(to the scheme) and the corpus fund shall provide additionally Rupees Three lakhs per family for a block period of three years. This is in addition to the above two coverage for the beneficiary during the insured period.

The benefit package determined by the expert committee constituted by the government for the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) and Karunya Arogya Suraksha Padathi (KASP) is used as basis for formulation of package rates for MEDISEP. The scheme also proposes an additional coverage for specified treatment for catastrophic illnesses like transplant surgeries. The scheme will also cover all pre-existing diseases of the beneficiaries from the inception of the scheme. However, Out Patient Treatment will not be covered under this scheme.

ISSUES

The tender has been awarded to The Reliance General Insurance Company Ltd, for the implementation of medical insurance scheme for State Government employees and pensioners (MEDISEP), being the lowest bidder. The annual premium payable by the Government to the Reliance General Insurance Company Ltd. shall be at the rate of Rs. 2992.48 (Including GST) per employee/pensioner per annum for a block period of 3 years.

Reliance Insurance has failed to abide by the guidelines of empanelment of hospitals stipulated in the Request for Proposal (RFP) floated inviting tender proposals. The insurer also failed to empanel major hospitals such as RCC, MCC,

CCC, Sree Chitra Tirunal Institute for Medical Sciences and Technology, Amritha, KIMS, Baby Memorial etc. Many of the leading private hospitals in the meetings convened by the State Govt. opined the insufficiency of package rate and also suggested that the package rates published vide G.O(P) 87/2019/FIN dated 15.07.2019 are too low to accommodate themselves in the venture.

Though these rates are almost same as Ayushman Bharat / KASP, the Government employees would demand better health care and would be willing to pay for that. Hence if we want better hospitals/facilities, there is the need to substantially increase the package rates.

WORK PLAN

- A feasible study may be done to work out the benefit packages and package rates already published for MEDISEP determined by the expert committee constituted by the government for the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) and Karunya Arogya Suraksha Padathi (KASP).
- An initiative to be made to incorporate both the insurance and assurance modes.
- Enhancement of package rates may be done keeping in mind to attract various high profile health care providers.
- Rationalization of package rates across various health care providers in the State.
- Composition/re-composition of existing packages, rates and procedures
- Continuity of existing treatments under the scheme.
- Periodical inclusion of catastrophic ailments/procedures newly arising (including Oncology).
- Suggestions on covering Transplant Surgeries exclusively under Corpus Fund by analyzing the frequent cases of transplant procedures done in the State and enhancing the limit.