

IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 07.11.2019
CORAM
THE HON'BLE MR.JUSTICE M.DHANDAPANI
W.P.No.31405 of 2019

K.Vasudevan

... Petitioner

vs

1. Director of Medical and Rural Service,
Tamil Nadu Government,
Chennai.

2. The District Collector,
Erode District,
Erode.

3. United India Insurance Company Ltd.,
5th Floor, Anna Salai,
Chennai.

4. The District Treasury Officer,
Erode, Erode District.

... Respondents

Prayer: Writ Petition is filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus calling for the records of the fourth respondent in its proceedings Na.Ka.No.11639/U2/2019 dated .10.2019 and quash the same and consequently direct the respondents to reimburse the medical expenses of Rs.1,81,187/- incurred by the petitioner for taking medical treatment at G.Kuppusamy Naidu Memorial Hospital, Coimbatore with interest.

For Petitioner : Mr.J.Ram Kumar
For R1,R2 & R4 : Mr.K.S.Suresh,
Government Advocate

For R3 : Mr.T.Shanmugam

O R D E R

Writ Petition is filed for issuance of a Writ of Certiorarified Mandamus by calling for the records of the fourth respondent in its proceedings Na.Ka.No.11639/U2/2019 dated .10.2019 and quash the same and consequently direct the respondents to reimburse the medical expenses of Rs.1,81,187/-

incurred by the petitioner for taking medical treatment at G.Kuppusamy Naidu Memorial Hospital, Coimbatore with interest.

2. Heard the learned counsel appearing for the petitioner, the learned Government Advocate appearing for the respondents 1, 2 and 4 and the learned counsel for the third respondent. By consent, this writ petition is taken up for final disposal.

3. The case of the petitioner is that the petitioner is a retired Government Doctor worked under the Tamil Nadu Government. He suffered from heart attack and immediately the petitioner and as per the advise of the Doctor who gave first aid, the petitioner's wife admitted the petitioner in the G.Kuppusamy Naidu Hospital at Coimbatore and there, the petitioner had undergone angiogram and angioplasty and discharged on 30.07.2014.

4. The petitioner submits that the petitioner is a retired government servant and a member of new health scheme 2014 as per G.O.Ms.No.171 dated 26.06.2014. Therefore, the petitioner applied for medical reimbursement of Rs.1,81,187/- at the fourth respondent on 12.08.2014. Since there was no reply with regard to his application, the petitioner made representation to the second respondent on 31.03.2015, who is the authority of the empowered committee at district level for enquiring this matter. In reply, the second respondent in proceedings Ref.No.8718/2015/G2 dated 14.05.2015, passed an order stating that the petitioner is eligible only for a sum of Rs.1,75,000/- as medical reimbursement and directed the insurance company to pay the amount within a month.

5. The grievance of the petitioner is that as per the direction of the second respondent, the petitioner approached the third respondent insurance company with all necessary documents. After a period of 10 months, the third respondent rejected the petitioner's claim by his proceedings dated 24.05.2016, for the reason that the petitioner has taken treatment in a non network hospital and hence the claim of the petitioner cannot be entertained. Hence, this writ petition.

6. Learned counsel for the petitioner submitted that a amount has been deducted towards medical insurance from the monthly income of the petitioner and therefore, the petitioner is entitled to claim medical reimbursement. However, the same issue came up for consideration in the following judgments, wherein it is held that the pensioner, who underwent treatment in a non network hospital, is also entitled for medical reimbursement.

(i) (2018) 16 SCC 187 (Shiva Kant Jha vs. Union of India);

"17. It is a settled legal position that the Government employee during his lifetime or after his retirement is entitled to get the benefit of the medical facilities and no fetters can be placed on his rights. It is acceptable to common sense, that ultimate decision as to how a patient should be treated vests only with the Doctor, who is well versed and expert both on academic qualification and experience gained. Very little scope is left to the patient or his relative to decide as to the manner in which the ailment should be treated. Speciality Hospitals are established for treatment of specified ailments and services of Doctors specialized in a discipline are availed by patients only to ensure proper, required and safe treatment. Can it be said that taking treatment in Speciality Hospital by itself would deprive a person to claim reimbursement solely on the ground that the said hospital is not included in the Government Order. The right to medical claim cannot be denied merely because the name of the hospital is not included in the Government Order. The real test must be the factum of treatment. Before any medical claim is honoured, the authorities are bound to ensure as to whether the claimant had actually taken treatment and the factum of treatment is supported by records duly certified by Doctors/Hospitals concerned. Once, it is established, the claim cannot be denied on technical grounds. Clearly, in the present case, by taking a very inhuman approach, the officials of CGHS have denied the grant of medical reimbursement in full to the petitioner forcing him to approach this Court."

(ii) Order of the Division Bench of this Court dated 04.02.2019 made in W.A.No.2749 of 2018 (The Government of Tamil Nadu, Rep. by its Secretary, Rural Development and Panchayat Department, Fort St. George, Secretariat, Chennai-600 009 and others vs. K.Rajendran and others);

"7. We are unable to countenance the submissions made on behalf of the First, Second and Fourth Respondents, particularly in view of the ruling of the Division Bench of this Court in Star Health and Allied Insurance Company Limited -vs- A. Chokkar [(2010) 2 LW 90], which has been

followed in India Healthcare Services (TPA) Limited -vs- K. Parameshwari, reported in CDJ 2017 MHC 2213 and Director of Pension -vs- B. Sarada, reported in CDJ 2017 MHC 7488. In the aforesaid decisions, the earlier Judgments of the Hon'ble Supreme Court of India and this Court on the subject have been extensively referred. It would suffice here to refer to paragraphs 24 and 25 of the decision in Star Health and Allied Insurance Company Limited -vs- A. Chokkar [(2010) 2 LW 90], which read as follows:-

"24. In the present case, what we have to decide is whether the State is bound to reimburse the claim, whether the insurance company is bound to indemnify the beneficiary for the claim made by him. As held in the decisions referred to above, the insurance company is strictly bound to strictly by the terms of contract and cannot be asked to settle a claim which does not fall within the terms of the contract and therefore the claim made by the beneficiaries in respect of treatments that were taken in a Non-Network hospital or for reimbursement of the claim made the insurance company is not liable. For this reason, the insurance company had made it clear that only if the beneficiary took treatment in a Network hospital they would settle the claim and more importantly the facility itself is a cashless facility. The insurance company cannot pay cash and if we issue direction to the insurance company to reimburse the claim, we would be virtually re-writing the contract which we are not entitled to.

25. The Tamil Nadu Medical Attendance Rules ("the Rules" in short) clearly lay down the rules regarding dependents and who is entitled to medical concessions under the Rules. It also defines who is a well to do person. The Rules lay down the manner in which claims can be made. According to the learned Advocate General, these Rules are still in force and therefore when it is a claim not covered by the present Insurance Scheme, the Government Servants have the right to make their claims under the Rules. Therefore, as regards Category-A, where treatment has been taken in a Non-Network hospital, the insurance company cannot be asked to cover the expenses, since the

scheme itself make the Network hospitals as intrinsic. However, the Petitioner/Claimants were also not no remediless and that is why we will issue directions to the claimants to make an application under the Rules or go before the Redressal Committee."

8. The Hon'ble Supreme Court of India in Shiva Kant Jha -vs- Union of India [2018 (5) MLJ 317], dealing with unfair treatment meted out to Government servants for medical reimbursement under similar provisions of the Central Government Health Scheme, held in paragraphs 13, 14 and 15 as follows:-

"13. With a view to provide the medical facility to the retired/serving CGHS beneficiaries, the Government has empanelled a large number of hospitals on CGHS panel, however, the rates charged for such facility shall be only at the CGHS rates and, hence, the same are paid as per the procedure. Though the Respondent-State has pleaded that the CGHS has to deal with large number of such retired beneficiaries and if the Petitioner is compensated beyond the policy, it would have large ramification as none would follow the procedure to approach the empanelled hospitals and would rather choose private hospital as per their own free will. It cannot be ignored that such private hospitals raise exorbitant bills subjecting the patient to various tests, procedures and treatment which may not be necessary at all times.

14. It is a settled legal position that the Government employee during his life time or after his retirement is entitled to get the benefit of the medical facilities and no fetters can be placed on his rights. It is acceptable to common sense, that ultimate decision as to how a patient should be treated vests only with the Doctor, who is well versed and expert both on academic qualification and experience gained. Very little scope is left to the patient or his relative to decide as to the manner in which the ailment should be treated. Speciality Hospitals are established for treatment of specified ailments and services of Doctors specialized in a

discipline are availed by patients only to ensure proper, required and safe treatment. Can it be said that taking treatment in Speciality Hospital by itself would deprive a person to claim reimbursement solely on the ground that the said Hospital is not included in the Government Order. The right to medical claim cannot be denied merely because the name of the hospital is not included in the Government Order. The real test must be the factum of treatment. Before any medical claim is honoured, the authorities are bound to ensure as to whether the Claimant had actually taken treatment and the factum of treatment is supported by records duly certified by Doctors/Hospitals concerned. Once, it is established, the claim cannot be denied on technical grounds. Clearly, in the present case, by taking a very inhuman approach, the officials of the CGHS have denied the grant of medical reimbursement in full to the Petitioner forcing him to approach this Court.

15. This is hardly a satisfactory state of affairs. The relevant authorities are required to be more responsive and cannot in a mechanical manner deprive an employee of his legitimate reimbursement. The Central Government Health Scheme (CGHS) was propounded with a purpose of providing health facility scheme to the Central Government employees so that they are not left without medical care after retirement. It was in furtherance of the object of a welfare State, which must provide for such medical care that the scheme was brought in force. In the facts of the present case, it cannot be denied that the Writ Petitioner was admitted in the above said hospitals in emergency conditions. Moreover, the law does not require that prior permission has to be taken in such situation where the survival of the person is the prime consideration. The doctors did his operation and had implemented CRT-D device and have done so as one essential and timely. Though it is the claim of the Respondent-State that the rates were exorbitant whereas the rates charged for such facility shall be only at the CGHS rates and that too after following a proper procedure given in the Circulars issued on time to time by the concerned Ministry, it also cannot be

denied that the Petitioner was taken to hospital under emergency conditions for survival of his life which requirement was above the sanctions and treatment in empanelled hospitals."

9. In view of this incontrovertible legal position coupled with the facts of this case, we confirm the findings of the Writ Court. Accordingly, we direct that the competent authority of the Government of Tamil Nadu to examine the claim made by the Petitioner for medical reimbursement under the Tamil Nadu Medical Attendance Rules and disburse the eligible amount towards the same along with interest thereon at the rate of 9% per annum from 16.03.2017 till date of payment and file report of such compliance before the Registrar (Judicial) of this Court by 18.02.2019.

10. It is made clear that the aforesaid direction issued to the First, Second and Fourth Respondents, to forthwith settle the claim made by the Petitioner for reimbursement of medical expenses under the Tamil Nadu Medical Attendance Rules at the first instance, would not preclude those Respondents from placing the matter before the High Level Committee constituted under the implementation procedure in clause 17 of Annexure 1 of G.O. Ms. No. 222, Finance (Pension) Department dated 30.06.2018 issued by the Government of Tamil Nadu for a decision on the question whether the Insurance Company would be liable to meet claims, like the present one, where the Hospital at which the Government Servant concerned had undergone treatment had not been included in the list of Network Hospital at that time, has been subsequently added for coverage by the New Health Insurance Scheme, 2016."

7. Learned Government Advocate appearing for the respondents 1,2 and 4, has not disputed the facts submitted by the learned counsel appearing for the petitioner.

8. In the light of the above said judgments, I am inclined to allow this writ petition. Accordingly, the writ petition stands allowed and impugned order of the 4th respondent is hereby quashed. This Court directs the 4th respondent to examine the

claim made by the petitioner for medical reimbursement and disburse the eligible amount towards the same. No costs.

Sd/-
Assistant Registrar(CS III)

//True Copy//

Sub Assistant Registrar

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To

1. Director of Medical and Rural Service,
Tamil Nadu Government,
Chennai.
2. The District Collector,
Erode District,
Erode.
3. United India Insurance Company Ltd.,
5th Floor, Anna Salai,
Chennai.
4. The District Treasury Officer,
Erode, Erode District.

+1cc to Mr.J.Ram Kumar, Advocate sr.93448
+1cc to Mr.T.Shanmugam, Advocate sr.92755

W.P.No.31405 of 2019

ca(co)
nr 18/12/2019

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