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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 1876/2017 and CM APPL. 52472/2018**

ASSOCIATION OF HEALTH CARE
PROVIDERS (INDIA)

..... Petitioner

Through: Ms Stuti Gujral and Ms Malvika
Awasthi, Advocates.

versus

UNION OF INDIA & ORS.

..... Respondents

Through: Mr Kamal Kant Jha, Senior Panel
Counsel with Mr Prabhakar Thakur,
Advocates for R-1 & R-2.
Mr Dharam Dev, Advocate for R-3.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

ORDER

% **09.05.2019**

1. The petitioner has filed the present petition, *inter alia*, praying as under:-

“A. Issue an appropriate writ, order or direction in the nature of mandamus for the constitution of a committee to oversee and monitor the implementation of the Central Government Health Scheme, and the contracts entered into by the Respondents with empanelled hospitals and medical institutions, and to act as a platform for resolution of pending and future disputes, including with regard to the wrongful deduction of 10% from hospital bills, between the Respondents and empanelled hospitals/medical institutions;”

2. The petitioner is a registered society and claims that its current membership is over 2000 healthcare institutions across the country, which

includes hospitals, nursing homes, clinics, diagnostic centres etc.

3. The principal grievance of the petitioner is with regard to deduction of 10% from the bills raised by various healthcare establishments. It is stated that there is a standard condition of providing discount at the rate of 10%, on all bills/invoices raised by hospitals/healthcare establishments if the payments are made by respondent no.2 (Directorate General, Health Services) within a period of 10 days from the same. The petitioner states that despite there being no dispute with regard to the aforesaid contractual conditions; the respondents, as a matter of practice, deduct 10% from all bills irrespective of when the said bills are cleared.

4. The learned counsel appearing for the petitioner submits that there has been an extensive exchange of correspondence in this regard since 2013; however, the respondents as a matter of practice continue to deduct 10% from all bills being fully aware that the same is not justified in terms of the contracts with separate healthcare establishments/hospitals.

5. It is in the aforesaid context that the petitioner prays that a Committee be constituted to ensure that the respondents adhere to their contractual obligations and do not deduct 10% from the invoices, which are not cleared within the stipulated period of 10 days.

6. This Court is not inclined to entertain the present petition, principally, for the reason that the issue sought to be flagged by the petitioner relates to a contractual arrangement between respondent no. 2 and third parties. Clearly, the hospitals / healthcare establishments whose bills have not been cleared fully have full right to agitate their grievance in this regard and seek recovery of the amounts due to them. There may be cases where healthcare establishments / hospitals are willing to accept a short payment

notwithstanding the contractual terms with respondent no.2. Clearly, no interference in such cases would be warranted. However, if the concerned hospital/healthcare establishments are not willing to accept any short payment, they are not precluded from availing legal remedies, as available in law. This Court is also informed that there is an arbitration clause in the agreements entered into between various healthcare establishments/hospitals with respondent no.2. Thus, the concerned healthcare establishments/hospitals have also agreed on the method of resolution/adjudication of their *inter se* disputes with the respondents and are not precluded from availing of their remedies as available under the Arbitration and Conciliation Act, 1996.

7. The petition and the application are, accordingly, dismissed.

MAY 09, 2019
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VIBHU BAKHRU, J