

W.P.No.29331 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 06.03.2025

CORAM :

THE HON'BLE MRS. JUSTICE V.BHAVANI SUBBAROYAN

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M.Shanthi

... Petitioner

Versus

- 1.The Chairman of the District Level Empowered
Committee and the District Collector,
Chennai District,
Chennai - 600 101.
 - 2.The Grievance Redressal Officer /
Joint Director of Medical and Rural Health Services,
DMS Compound, No.59, Anna Salai,
Teynampet, Chennai – 600 006.
 - 3.The Divisional Manager (NHIS),
United India Insurance Co. Ltd.,
PLA Rathna Tower, Raji Building,
5th Floor, 212, Anna Salai,
Chennai – 600 006.
 - 4.The Vice President,
MD India Health Insurance TPA Pvt. Ltd.,
Raheja Towers, Unit No.005,
Delta Wing No.177, Ground Floor,
Beside LIC Building, Opp: Passport Office,
Anna Salai, Chennai – 600 002.
- ... Respondents

PRAYER : Writ Petition filed under Section 226 of the Constitution of India,



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praying to issue an Writ of Mandamus, directing the respondents 3 and 4 to disburse the interest amount of Rs.46,584/- for the belated disbursement of medical reimbursement claim at the rate of 2% above the bank rate from the date of receipt of document to the date of payment of claim on the net sanctioned amount in terms of clause 9.4 of the Master Circular on Standarization of Health Insurance Products issued in Ref:IRDAI/HLT/REG/CIR/193/07/2020 dated 22.07.2020 by the Insurance Regulatory and Development Authority of India within the time limit.

For Petitioner	: Mr.Varun J
For R1 & R2	: Mr.Tippusultan Government Advocate
For R3	: Mrs.V.Pushpa
For R4	: No Appearance

ORDER

This writ petition has been filed seeking to direct the respondents 3 and 4 to disburse the interest amount of Rs.46,584/- for the belated disbursement of medical reimbursement claim at the rate of 2% above the bank rate from the date of receipt of document to the date of payment of claim on the net sanctioned amount in terms of clause 9.4 of the Master Circular on Standarization of Health Insurance Products issued in Ref:IRDAI/HLT/REG/CIR/193/07/2020 dated 22.07.2020 by the Insurance Regulatory and Development Authority of India.

2.The brief facts of the case are as follows:-



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2.1.The petitioner was recruited as Teacher by the Teachers Recruitment Board and with effect from 30.12.2008 she was working as B.T.Assistant (Science) in Chennai Girls Higher Secondary School, Pulla Avenue, Shenoy Nagar, Chennai-30. She was enrolled as subscriber of the New Health Insurance Scheme bearing ID No.PCO/SB553/NHIS12/3392789 and paying the subscription of Rs.295/- per month apart from paying a sum of Rs.5/- towards NHIS Corpus Fund to meet out the rare illness and exceptional circumstances extending total benefit up to Rs.20 Lakhs. Thereafter, she retired from service on attaining the age of superannuation on 31.05.2023. While she was in service, on 28.11.2021, she fell down due to giddiness and gone unconscious and she was admitted in the Madras Medical Mission, Mogappair, Chennai-37 in the critical care unit. Later she was referred to SIMS Hospital, Vadapalani, Chennai with neuro issues. After taking MRI brain scan, it is seen that she had Subarachnoid Hemorrhage with possible ruptured left ICA and she was undergone a surgery on 02.12.2021. Thereafter, she was in ICU from 28.11.2021 to 06.12.2021 and then she was shifted from ICU to separate ward on 07.12.2021 and till 13.12.2021 she was in hospital as in-patient. Therefore, she was in medical leave from 28.11.2021 to 25.02.2022 and reported for duty with effect from 26.02.2022.

2.2.According to the petitioner she paid a sum of Rs.4,677/-



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towards procedures charges and medicine in MMM Hospital, Mogapair, Chennai and paid a sum of Rs.1,500/- for Ambulance. From the date of admission till the date of discharge a total sum of Rs.17,23,853/- was charged by SIMS Hospital, of which, a sum of Rs.40,000/- was discounted by the SIMS Hospital. A sum of Rs.12,50,000/- was sanctioned and paid by the ICICI Lombard General Insurance Company Ltd., under the Corporate Health Insurance coverage of her son, who was working in PayPal India Pvt Ltd., in Hyderabad. The remaining amount of Rs.4,90,390/- was met out by her by borrowing hand loan from her relatives and friends. In total, she incurred a sum of Rs.17,40,390/- and as a sum of Rs.12,50,000/- was met out by her son, the application for reimbursement of the remaining amount of Rs.4,90,390/- through the New Health Insurance scheme, 2021 through representation dated 11.01.2022 along with necessary documents and it was sent through proper channel. Though the petitioner was admitted in the listed hospital as approved by the United India Insurance Company and the petitioner is entitled to reimburse a sum of Rs.4,90,390/-, there was no response from the respondent. Therefore, the petitioner filed W.P.No.7916 of 2022 seeking direction to the 2nd respondent to consider her representation dated 11.01.2022 in the light of the G.O.Ms.No.160, Finance (Salaries) Department dated 29.06.2021. This Court issued a direction to the 1st respondent to consider the application of the



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petitioner and sanction the medical bill amount and this Court directed that if no such application is pending, the same shall be communicated to the petitioner.

2.3.The petitioner again submitted his representation on 04.05.2022 along the with copy of the order of the respondent. Since there was no response from the respondent, the petitioner issued legal notice on 03.09.2022 to the respondents. The 2nd respondent vide letter dated 22.06.2022 communicated the decision and recommendation of the District Level Empowered Committee dated 18.05.2022 for sanction of the claim made by the petitioner to the 3rd respondent. Since there was no response from the 3rd respondent, the petitioner sent legal notice to the 3rd respondent on 20.02.2023 and the second legal notice was sent on 09.05.2023. Thereafter, the 4th respondent/Insurance Company processed and sanctioned a sum of Rs.3,72,950/- as against the final bill amount of Rs.4,90,390/- and it is yet to be released by the 3rd respondent.

3.Learned counsel for the petitioner would submit that as per the Master Circular on Standarization of Health Insurance Products, issued in No. IRDAI/HLT/REG/CIR/193/072020 dated 22.07.2020, the Insurance Company has to settle the claim within 30 days from the date of receipt of a copy of the documents, if not, they have to pay the interest thereon. Learned counsel for the

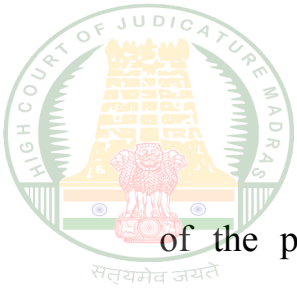


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petitioner would also submit that a bill amount of Rs.1,17,440/- was denied and disallowed. As per the aforesaid circular, the petitioner is entitled for an interest of Rs,46,584/- for 501 days at the rate of interest at 9.1%. Hence, the present writ petition has been filed.

4.Learned counsel appearing for the 3rd respondent would submit that the United India Insurance Company is a public Sector general insurance company offering various policies for motor, health, personal accident, fire and more. The Government of Tamil Nadu introduced implementation of New Health Insurance Scheme, 2016, to provide health care assistance on a cashless basis for employees of Tamil Nadu Government departments and their eligible family members, vide G.O.Ms.No.202, Finance (Salaries) Department, dated 30.06.2016. Therefore, the 3rd respondent was selected for providing the said scheme vide G.O.Ms.No.57, Finance (Salaries) Department, dated 26.02.2021. The petitioner being a Government employee is covered by the said insurance scheme.

5.He would further submit that the initial claim was said to have been made by the petitioner on 11.01.2022 and the order of this Court in W.P.No.7916 of 2022 directing the 1st respondent to consider the representation

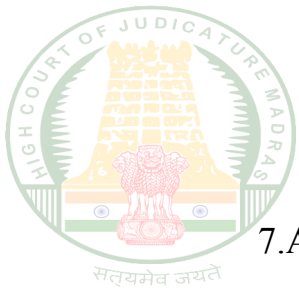


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of the petitioner was passed on 04.04.2022. However, the 3rd respondent

received communication regarding the authorisation by the 1st respondent only on 18.05.2022. Pursuant to the communication, the recommendation was promptly forwarded to the 4th respondent. The period during which the petitioner had taken treatment and the nature of the same required verification as per the procedure. After the completion of the said process and after going through the every legal and procedural mechanism set in place for the purpose of disbursing the claim, the amount of Rs.3,72,950/- was immediately disbursed to the petitioner on 10.07.2023. Therefore, the relief sought for by the petitioner is pertaining to the interest on the claim amount that has already been paid to the petitioner. Further, the role of the 3rd respondent arises from the contract entered into by the 3rd respondent with the Government of Tamil Nadu in view of G.OMs.No.160, Finance (Salaries) Department, which was carried out by the 3rd respondent and thereafter processed as per the procedure stated above. Hence, the 3rd respondent is not liable for the relief sought for in this petition.

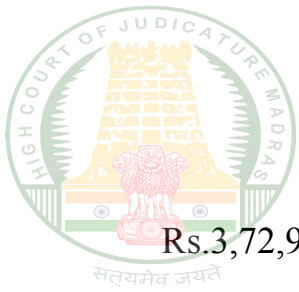
6. Heard the learned counsel appearing on either side and perused the materials available on records.



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7. According to the petitioner, she made application for the medical reimbursement along with necessary documents. The 2nd respondent forwarded the recommendation directing the petitioner to submit the original which was returned to him along with the application. The 3rd respondent received the recommendation and processed the claim vide CCN No.MD18056817 after verification of all the documents provided in accordance with the Master Circular, dated 22.07.2020 as well as G.O.Ms.No.160, dated 29.06.2021 and approved a sum of Rs.3,72,950/- and the same was disbursed to the petitioner on 10.07.2023. Initial claim made by the petitioner on 11.01.2022 and the order of this Court in WP No.7916 of 2022 was passed on 04.04.2022, while so, the 3rd respondent received the recommendation of the 1st respondent only on 18.05.2022 and thereafter, the said recommendation was promptly forwarded to 4th respondent as per the procedure for verification of the claim and genuineness of the documents submitted by the petitioner. The petitioner was initially admitted in the Madras Medical Mission, Mogappair and later shifted to SIMS Hospital, Vadapalani on the same day. The petitioner undergone treatment from 28.11.2021 till 13.12.2021, which was required verification as per the procedure. After verifying the treatment received by the petitioner in different hospitals, the 3rd respondent had processed and a final bill was circulated for Rs.4,90,390/- and after going into all aspects, a sanctioned a sum of



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Rs.3,72,950/- was disbursed on 10.07.2023. According to the 3rd respondent, as

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per the G.O.Ms.No.160, Finance (Salaries) Department which has been followed by the 3rd respondent promptly after the receipt of the communication from the 1st respondent and thereafter, they have taken some time for processing and therefore the respondent is not liable to pay any interest.

8.Learned counsel for the 3rd respondent would submit that if at all there is any claim made by the petitioner or any grievance regarding the interest, the Civil Court situate at Chennai has exclusive jurisdiction and the petitioner can work out her remedy.

9.According to the petitioner, she made claim for medical reimbursement on 11.01.2022 and the amount was reimbursed only on 10.07.2023 and there was delay of 501 days and thereby, she is entitled for a sum of Rs.46,584/- towards the interest for the delayed payment. However, according to the respondents after receipt of the recommendation from the District Level Empowerment Committee, the 3rd respondent processed the same by forwarding the same to the 4th respondent and thereafter, on verification of the claim and genuineness of the documents submitted by the petitioner, they sanctioned the amount of Rs.3,72,950/- against the final bill of Rs.4,90,390/- and generally, for



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processing and verification of the documents, considerable time will be taken

and hence, the respondents are not liable to pay the interest.

10.In view of the above discussion and since the petitioner has already been disbursed a sum of Rs.3,72,950/- on consideration of her claim for disbursement, this Court is not inclined to go into the matter, however giving liberty to the petitioner, if at all she is still aggrieved for non-payment of interest towards the delay, to approach the concerned Court and work out her remedy.

11.With the above observations, this writ petition stands disposed of. No costs.

06.03.2025

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Index: Yes/No

Speaking Order / Non-Speaking Order

Neutral Citation: Yes / No

To:

- 1.The Chairman of the District Level Empowered Committee and the District Collector,
Chennai District,
Chennai - 600 101.



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2. The Grievance Redressal Officer /

Joint Director of Medical and Rural Health Services,

DMS Compound, No.59, Anna Salai,

Teynampet, Chennai – 600 006.

V.BHAVANI SUBBAROYAN, J.

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