പതിമൂന്നാം കേരള നിയമസഭ

പതിനാറാം സമ്മേളനം

നക്ഷത്രചിഹ്നമിടാത്ത ചോദ്യം നം. 141

08.02.2016 ലെ മറുപടിയ്ക്ക്

സർവ്വീസ് പെൻഷൻകാർക്കുളള ഇൻഷ്വറൻസ് സ്കീമുകൾ

ചോദ്യം | **ഉത്തരം**

ശ്രീ.കെ.കെ. നാരായണൻ | **ശ്രീ. ഉമ്മൻ ചാണ്ടി**

(ബഹു. കേരള മുഖ്യമന്ത്രി)

	ചോദ്യം	ഉത്തരം
(എ)	സർവ്വീസ് പെൻഷൻ കാർക്കായി 2014-15 ലെ ബഡ്ജറ്റിൽ പ്രഖ്യാപിച്ചിരുന്ന രണ്ട് ഇൻഷ്വറൻസ് സ്കീമുകൾ നടപ്പിൽ വന്നിട്ടുണ്ടോ;	ഇല്ല. എന്നാൽ പത്താം ശമ്പള കമ്മീഷൻ ശുപാർശയനുസരിച്ച് സർവ്വീസ് പെൻഷൻകാർക്കും/കുടുംബ പെൻഷൻകാർക്കുമായി ഒരു മെഡിക്കൽ ഇൻഷ്വറൻസ് സ്കീം നടപ്പിലാക്കുന്നതിനുവേണ്ടി വിശദമായ ഉത്തരവുകൾ പ്രത്യേകമായി പുറപ്പെടുവിക്കുമെന്ന് 20.01.2016 ലെ G.O(P)No.9/16/Fin നമ്പർ പെൻഷൻ പരിഷ്കരണ ഉത്തരവിന്റെ 8-ാം ഖണ്ഡികയിൽ വ്യക്തമാക്കിയിട്ടുണ്ട്. ഇതിനുളള നടപടികൾ ധനകാര്യ വകുപ്പിൽ സ്വീകരിച്ചു വരുന്നു.
(ബി)	എങ്കിൽ എന്നു മുതലാണ് ഇത് നടപ്പിലാക്കിയത്; 2014 ജൂലൈ ഒന്നിന് നടപ്പിൽ വരുത്തുമെന്ന പ്രഖ്യാപനം പാലിക്കാൻ സാധിച്ചിട്ടുണ്ടോ;	ബാധകമല്ല.

കൊടി.എ

കൊടി.ബി

(സി)	പ്രസ്തുത സ്കീമുകൾ സംബന്ധിച്ച വിശദാംശം ലഭ്യമാക്കാമോ; നിലവിൽ ഇവയിൽ ഓരോന്നിലും എത്ര അംഗങ്ങൾ വീതമുണ്ട്; വ്യക്തമാക്കാമോ;	ബാധകമല്ല.
(ഡി)	പ്രസ്തുത സ്കീമുകളിൽ നിന്നുള്ള ആനുകൂല്യത്തിനായി എത്ര അപേക്ഷകൾ ഇതുവരെ ലഭിച്ചിട്ടുണ്ട്; ഇതിൽ ആനുകൂല്യത്തിന് അർഹതയുള്ളവർ എത്ര; വ്യക്തമാക്കാമോ;	ബാധകമല്ല.
(ഇ)	ഓരോ സ്കീം വഴിയും ഇതുവരെ എത്ര തുകയുടെ ആനുകൂല്യം വിതരണം ചെയ്തു; ആനുകൂല്യം ലഭ്യമാക്കുന്നതിൽ കുടിശ്ശിക വന്നിട്ടുണ്ടോ; എങ്കിൽ അർഹരായ എത്ര പേർക്ക് എത്ര തുക വീതം ഓരോ സ്കീം വഴിയും ഇനിയും ആനുകൂല്യം ലഭ്യമാക്കാൻ അവശേഷിക്കുന്നുണ്ടെന്ന് വ്യക്തമാക്കാമോ?	ബാധകമല്ല.

സെക്ഷൻ ഓഫീസർ

സ.ഉ.(പി) 7/2016/ധന. തീ. 20-1-2016.

7. Dearness Relief:

The rate of dearness relief admissible for pensioners/family pensioners from 01.07.2014 onwards will be as shown below:

Date	Rate of DR	Total
01.07.2014	0	0
01.01.2015	3	3
01.07.2015	3	6

8. Medical Allowance to Pensioners & Family Pensioners

Medical Insurance Scheme will be introduced to Pensioners/Family Pensioners. The detailed orders in this regard will be issued separately. Till such time Pensioners /family pensioners will be eligible for medical allowance as per the existing rate of Rs.300/- per month.

9. Arrears of pension

9.1 The revised pension/family pension will be granted in cash from 1.2.2016.

Pensioners /Family pensioners prior to 01/07/2014 are eligible to draw arrears on account of revision of Pension/Family pension in four instalments each at 25% of the arrears, in cash on 1.4.2017, 1.10.2017, 1.4.2018 and 1.10.2018 respectively along with interest on the arrears not drawn as on the above dates at the rate of interest admissible to State Government employees on their Provident Fund. In the case of those who retired on or after 01.07.2014, the arrears of pension, DCRG and Terminal Surrender along with interest accrued will be disbursed as stated above. Arrears on Commutation will be disbursed in two equal instalments in cash on 01.10.2017 and 01.10.2018 respectively.

(For e.g. a pensioner/family pensioner entitled to Rs.1 lakh as arrears of revision of pension/family pension, will be allowed to draw the first instalment ₹ 25,000 on 1.4.2017 along with interest at the current rate on State Government Employee Provident Fund (say 8.7%) for 14 months on Rs. 1 lakh, the second instalment of ₹ 25,000 on 1.10.2017 along with interest at 8.7% for 6 months on ₹ 75,000, the third instalment of ₹ 25,000 on 1.04.2018 along with interest at 8.7% for 6 months on ₹ 50,000 and the fourth and last instalment of ₹ 25000 on 01.10.2018 along with interest at 8.7% for 6 months on ₹ 25,000).

In the event of death, the entire arrears on account of revision of Pension/Family pension, DCRG, Commutation and Terminal Surrender as the case may be, not drawn by the pensioner/family pensioner along with interest accrued except on commutation will be paid as on the date of death, to the legal heirs of the pensioner/family pensioner.

imbursing. It is mainly because treatment at private hospitals is generally not admissible. The catch is that about 70% of the hospitals in Kerala are in the private sector and it is exactly why the employees and pensioners are welcoming the introduction of a health insurance scheme. The Commission discussed different models to implement the scheme and zeroed on the following model.

1.14 The Commission was assisted by the New India Assurance Company Limited (NIAC), a leading public sector company in the Health Insurance field. Discussions were held with its top officials several times. The Commission expresses its gratitude for the whole hearted involvement of the officials in explaining the nuances of the health insurance sector to the Commission.

PROPOSED SCHEME

1.15 **Separate schemes for employees and pensioners**: The employees are already covered under the Kerala Government Servants' Medical Attendance Rules, 1960 but the pensioners are not part of it. They are only eligible for a monthly Medical allowance of Rs.300. Considering this fundamental difference as well as the cost of health insurance for the pensioners, which is far higher than the employees, the Commission recommends separate schemes for employees and pensioners.

EMPLOYEES

1.16 **Mandatory**: Only employees who are covered under the Kerala Government Servants' Medical Attendance Rules, 1960 shall come under the new medical health insurance scheme. It shall be mandatory.

1.17 **Exemptions**: It shall be optional for those employees, whose spouses are also State Government employees. Either, any one of them shall join the scheme or both may opt for the scheme for getting better cover. In the case of State Government employees, whose spouses are covered under medical health schemes of Government of India, Other State Governments or other organisations, they may be exempted from joining the State Medical Health Insurance provided the other scheme is better.

1.18 **Funding**: The terms of reference suggests collection of premium from employees and pensioners. The Commission has recommended hike in pay and pension, which will result in additional liquidity to the employee/pensioner. DA was merged at 80% (64% previous revision) and fitment benefit was recommended at 12% as against 10% of previous revision. In the circumstances, the employees will be in a better position to contribute towards the premium and no Government subsidization is necessary. However, 50% of the budget provision (current provision Rs.61.05 crore) may be set apart towards Government's contribution towards payment of premium. Also, the Government will have to bear the cost of paying premium upfront, which may be around Rs.40 crore per year.

1.19 **Insured amount**: As stated above, the Commission considered different permutations to find an optimum plan which could be implemented. The premia (tentative figures) quoted by New India Assurance Company for serving employees are as follows-

Sum insured	premium
Rs.2,00,000	Rs.3968+ST
Rs.3,00,000	Rs.5464+ST

1.20 A pragmatic approach is required to kick start the scheme and it will only be sensible to go for an insurance cover, which will attract a lesser premium. The premia mentioned above are only indicative and the Commission feels it will come down considerably when tendered. In the circumstances, the Commission recommends the insured amount at Rs.2lakh per annum. Once the whole data is captured and scheme settles down, say after a couple of years, individual specific coverage may be introduced.

1.21 **Claims above Rs.2 lakh**: 50% of the budget provision for medical re-imbursement may be set apart for OP Treatment and the remaining 50% to settle claims over the insured amount of Rs.2lakh. . A part of this fund could be utilized to settle claims above the insured amount, as per existing Medical Attendance Rules, ie., the eligibility criteria now in existence will be applicable for claims above Rs.2lakh, ie., bills in excess of Rs.2lakh will have to be paid by the employee and re-imbursement claimed as per existing rules. Re-imbursement should not be made on first come first served basis, but the budgeted amount available should be distributed among all the claimants on a pro-rata basis.

1.22 **Persons covered**: In the case of employee, employee plus spouse and two dependent children. If more children are to be covered the employee will have to pay premium for the purpose.

1.23 **Uncovered persons**: Those dependents, who are eligible for medical re-imbursements as per Medical Attendance Rules but are not covered as per pre-para, will continue to enjoy the benefit of existing scheme.

1.24 **OP treatment**: The coverage will be only for inpatient treatment and expenditure on outpatient treatment shall be guided by existing rules.

1.25 **Buffer**: The Insurance Companies generally charge about 80% of buffer amount as premium, which will add to the cost of premium. As the Government will be making good the expenses above the insured amount to employees, a buffer is not required.

PENSIONERS

1.26 **Optional:** There may be a situation where a section of pensioners may not be inclined to join the scheme as the premium will cut into their pension. The

Government health care system for the general public in Kerala provides almost free services and if one is satisfied by that, the necessity for insurance cover may not be felt. However, there is a sizable part of the pensioners who will be more than willing to join the insurance scheme. Considering all these aspects, the Commission recommends that the new health medical insurance scheme may be optional at the discretion of the pensioner. If Government is able to share a part of the premium, the scheme can be made mandatory.

1.27 **Family pensioner**: Family pensioner will also be eligible for the scheme.

1.28 **Persons covered**: Pensioner plus spouse or family pensioner.

1.29 **Funding:** The Commission has already recommended a hike in pension and the fitment benefit which was 12% in the last revision, was also proposed for a hike at 18%. There will be additional liquidity for the pensioner and will be in a better position to pay for the insurance premium. Considering the huge financial commitment that would arise due to the recommendations already made, the Commission is not inclined to burden the Government further. Currently, the pensioners are not getting any medical re-imbursements which means the Government is not spending money on it. As such, the premium on insurance will also have to be borne by the pensioner.

1.30 **Medical Allowance**: Medical allowance of Rs.300 per month will be continued to be paid irrespective of whether one has opted for the insurance scheme or not, to take care of the OP treatment.

1.31 **Insured amount**: The premia (tentative figures) quoted by New India Assurance Company are as below. As in the case of employees the insured amount shall be Rs.2lakh. The coverage will only for inpatient treatment and outpatient treatment will not be covered under the scheme.

Sum insured	premium
Rs.200000	Rs.9800+ST
Rs.300000	Rs.13900+ST

1.32 **Claims above Rs.2lakh**: There will not be any cover beyond Rs.2lakh and any expenses over and above it shall be borne by the pensioner.

GENERAL

1.33 The scheme may be titled as "Kerala Government Medical Insurance Scheme for Employees" and "Kerala Government Medical Insurance Scheme for Pensioners". A model prospectus of the scheme has been drafted and may be seen in Appendix I. Though the draft is based on the prospectus given by NIAC, the Commission has made certain changes especially regarding discount and loading ratios.

1.34 **Coverage**: The insurance cover shall start from day one. Pre-existing diseases shall be covered and there shall not be any waiting period.

1.35 **Age limit**: There shall be no age limit in admitting to the scheme.

1.36 **Cash less facility**: The Insurer shall provide for hassle free cash less facility. Hospitals with better track records shall be accredited for the purpose and preferably the insured shall be able to undergo treatment at his choice of hospital. Also, sufficient number of hospitals shall be accredited, covering each taluk.

1.37 **Low claim discount ratio**: If the total claims are less than the premium, the insurance companies usually provide for discounts, which will be adjusted in the subsequent premium. In group insurance, the benefit will accrue collectively as a group and not on individual basis. The Insurer will have to meet his cost as well as profit from the premium he collects. The discount ratio will have to be negotiated by providing for expenditure and a reasonable profit for the insurance company. The Commission feels 15% of the total premium will be a sufficient margin for a Public Sector Insurance Company to run a group health insurance scheme on minimum returns. The discount ratio proposed by NIAC and the Commission are as below-

Proposed by NIAC

Incurred Claim ratio under the Group Policy	Discount (%)
Not Exceeding 60%	5%
Not Exceeding 50%	15%
Not Exceeding 40%	25%
Not Exceeding 30%	35%
Not Exceeding 25%	40%

Proposed by the Commission

Incurred Claim ratio under the Group Policy	Discount (%)
Not Exceeding 80%	5%
Not Exceeding 70%	15%
Not Exceeding 60%	25%
Not Exceeding 50%	35%
Not Exceeding 40%,	45%

1.38 **High claim loading ratio**: On the other hand, if the claim is higher the insurer will load a higher premium next time. The loading ratio proposed by NIAC and the Commission are as below-

Proposed by NIAC

Incurred Claim Ratio under the Group Policy	Loading (%)
Between 70% and 100%	25%
Between 101% and 125%	55%
Between 126% and 150%	90%
Between 151% and 175%	120%
Between 176% and 200%	150%
Over 200%	Cover to be reviewed

Proposed by the Commission

Incurred Claim Ratio under the Group Policy	Loading (%)
Between 85% and 100%	10%
Between 101% and 125%	25%
Between 126% and 150%	50%
Between 151% and 175%	75%
Between 176% and 200%	100%
Over 200%	Cover to be reviewed

1.39 **Insurance Company**: Only the public sector insurance companies shall be allowed to run the scheme, preferably through the State Insurance Department.

1.40 **Government's role**: Insurance premium is payable upfront but it will be helpful for the employees/pensioners if the Government makes the payment upfront and deduct the same through salary/pension on monthly basis. Government will have to bear the cost of funding the upfront payment.

1.41 **Department's role**: Employees shall be admitted to the scheme through the head of department. The respective head of offices, shall forward the applications to the HOD, who will consolidate it and forward it to the Insurance Company, TPA and Government.

1.42 **Treasury's role**: Director of Treasuries shall oversee the scheme for pensioners. The respective Treasury Officers, from where the pension is distributed shall obtain the applications from the pensioners and forward it to the Director. He shall consolidate it and forward it to the Insurance Company, TPA and Government.

1.43 **Third Party Administrator**: TPAs from the list approved by IRDA may be selected.

1.44 **Redressal forum**: The Insurance Company shall provide necessary grievance redressal forums for the insured to prefer complaints, if any. In cases where the insured is not satisfied by the action of the above forums, the insured may find recourse as per Redress of Public Grievances Rules, 1998 under the Insurance Act, 1938 and contact the Insurance Ombudsman.

1.45 **Common software**: Development of common software across the different stakeholders is very essential for the success of the scheme. The NIC/State IT Mission shall take the lead in this regard. The scheme shall be linked to SPARK.

1.46 The concept of group insurance is to share the risk as a group and reap the benefit of sharing in the form of low premium. The proposed scheme gives coverage from day one and includes pre-existing diseases, which is not available if one takes insurance policy individually. Also, the question of age limit does not arise. It is a very big opportunity for the employees as well as the pensioners and the Commission is confident that the scheme will be welcomed by all the stakeholders.

Sreekumar