

New Delhi, the 19<sup>th</sup> Dec'2003

To,

The Chief of Army Staff  
The Chief of Naval Staff  
The Chief of Air Staff

**Subject: Procedure for Payment and reimbursement of medical expenses under ECHS**

Sir,

With reference to Govt. of India, Ministry of Defence letter No. 22(1)/01/US(WE)/D(Res) dated 30<sup>th</sup> Dec 2002 I am directed to convey the sanction of the President for adoption of the Procedure for payment and reimbursement of medical expenses under ECHS.

2. The procedure will be reviewed after one year or as and when required, whichever is earlier.

3. This issues with the concurrence of Ministry of Defence (Finance) vide their U.O No. 1363/PD/03 dated 17.12.2003.

Yours faithfully,

Sd/- xxx

(V.K. JAIN)

**Under Secretary to the Govt. of India**

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3. PPS to FA (DS)
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**EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)**  
**PROCEDURE ON PAYMENTS AND REIMBURSEMENTS FOR MEDICAL EXPENSES**

**AUTHORISATION**

1. The authorization for payments to empanelled Hospitals, Nursing Homes, Diagnostic Centres and reimbursement of medical expenses to Ex-Servicemen is as per para 2(j) of Govt of India letter No 22(1)/01/US(WE)/D(Res) dated 30 Dec 2002.

**REFERRAL TO HOSPITALS**

2. **Military Stations:** Ex-Servicemen (ESM) and their dependents requiring hospital admission will, in normal course, be referred to Service hospitals, in the station. For this purpose Director General Armed Forces Medical Services (DGAFMS) will earmark a suitable proportion of beds in all Service hospitals for ECHS beneficiaries (except during war/ operational commitments). In case of non-availability of beds/facilities in service hospital, patients will be referred to empanelled hospitals for admission.

3. **Non Military Stations:** In non-military stations, ESM and their dependents will be referred to nearest service hospital/ empanelled hospitals by Medical Officer of ECHS Polyclinic.

**PAYMENT TO EMPANELLED HOSPITALS/ NURSING HOMES/ DIAGNOSTIC CENTRES.**

4. The payments by ECHS to the empanelled Hospitals, Nursing Homes and Diagnostic Centres will be governed by the following procedure:-

(a) **Referral to Empanelled Hospital/ Nursing Home/ Diagnostic Centre** . Payment of bills to empanelled concerns will only be authorised when patients are referred from ECHS Polyclinic for necessary treatment/ investigation. Hospitals will only treat patients for conditions for which they have been specifically referred from the ECHS Polyclinic, except in life saving /emergency situations.

(b) **Payment of charges to Empanelled Hospitals/Diagnostic centres** .

(i) The rates of payment to empanelled hospitals/Diagnostic centres in cities/towns covered under CGHS will be governed by the package deal rates as laid down for CGHS. The rates laid down for CGHS for various towns/cities will be applicable for ECHS Polyclinics located in corresponding/adjoining geographical areas.

(ii) For the polyclinics located in cities/towns not covered under CGHS, the rates of payment to the Empanelled Hospitals/Diagnostic centres will be negotiated and fixed by ECHS based on the facilities available and the prevailing market rates. The rates so fixed will, in any circumstances, not exceed the CGHS rates applicable to the nearest cities/towns covered under CGHS.

(iii) For diseases and conditions not in the list of CGHS package deals, the payment to the empanelled Hospital/Diagnostic centre would be at rates of AIIMS New Delhi *or actuals, whichever is less*. Where AIIMS rates are not available, the actual cost of drugs and room rent etc will be reimbursed.

(iv) The package deal rates will include all charges pertaining to a particular treatment/procedure including admission charges, accommodation charges, ICU/ICCU charges, monitoring charges, operation theatre charges, operation charges, anaesthetic charges, procedural charges/Surgeons fee, cost of disposables, surgical charges and cost of medicines used during hospitalization, related routine investigations, physiotherapy charges etc.

(v) The package rate does not include diet, telephone charges, TV charges and cost of cosmetics, toiletry and tonics. *Cost of these , if offered, on request of patient will be realized from individual patient and are not to be included in package charges.*

- (vi) The package deal includes
- 12 days for specialized procedure
  - 7-8 days for other procedures
  - 3 days for laparoscopic surgery
  - 1 day for day care/minor procedures (OPD)
- (vii) If the beneficiary has to stay in the hospital for his/her recovery for more than the period covered in the package rate, the additional reimbursement will be limited to room rent as per entitlement, cost of prescribed medicines and investigations, doctors visits (not more than 2 times a day) for additional stay.
- (viii) If one or more treatment procedures form part of a major treatment procedure, package charges would be made against the major procedures and only half of approved charges quoted for other procedures would be added to the package charges of the first major procedure.
- (ix) The rates will be applicable only for allopathic system of medicine. No charges will be reimbursed for Homeopathic, Unani, Ayurveda or traditional systems of medicines.
- (x) An empanelled hospital/ diagnostic centre whose rates for a procedure/test/facility are lower than the approved rates shall charge the beneficiaries as per actuals. Expenditure in excess of approved/package deal rates would be borne by the beneficiaries.
- (xi) *Any legal liability arising out of such services shall be dealt with by the empanelled hospital, nursing homes and diagnostic centres who shall alone be responsible.* ECHS will not have any legal liability in such cases.

(c) **Allied Charges**

- (i) **Diet Charges.** ECHS beneficiaries having basic pension upto Rs.2025/- per month will be entitled to free diet during hospitalization in empanelled hospitals. In case suffering from T.B. or mental diseases, beneficiaries with basic pension upto Rs.3000/- per month will be entitled to free diet during hospitalization.
- (ii) **Special Nursing/ Attendant charges.** Special nursing charges and/or Attendant charges will be admissible when such nursing/attendance is essential for recovery/prevention of serious deterioration of the patient as certified by the Medical Officer in-charge of the case. The approval of SEMO/SMO/PMO will be obtained through the concerned Polyclinic in all such cases. The rate ceiling for Special nursing and Attendant will be as per guidelines of the CGHS. Special nursing /Attendant will be applicable only for patients admitted in hospitals/nursing homes and will not be applicable in residence.
- (iii) **Entitlement for indoor treatment.** Charges as applicable to CGHS will apply. With effect from the issue of this letter the ECHS beneficiaries shall be entitled to General/Semi Private/Private Ward facility in empanelled hospitals according to their rank structure as under :-

|                 | <b>Rank</b>  | <b>Entitlement of Accommodation Hospitals</b> |
|-----------------|--|---|
| <b>Officers</b> |  | Private Ward                                  |
| <b>JCOs</b>     | (Nb Sub to Sub Maj including Hony Ranks of Lt/Capt and Equivalent) | Semi Private Ward                             |
| <b>NCOs</b>     | (Sep to Hav including Hony Ranks of Nb Subedar and Equivalent)     | General Ward                                  |

[Amended vide GOI MoD letter No. 22(16)/05/US(WE)/D(Res) dated 19 Jul 05] with the concurrence of Ministry of Defence (Finance) vide UO No. 717/AG/PD dated 14.07.05]

(iv) **AC Charges.** AC Charges will be included in rate for ICU/ICCU patients, private ward patients and speciality treatment patients. In all other conditions where AC is absolutely essential for treatment of the patient, such charges will be included with a necessary certificate from the treating physician.

(d) **Bills. The bills from the empanelled hospital will include the following:-**

- (i) Medical advance drawn, if any.
- (ii) Referral slip from Polyclinic & photocopy of ECHS card.
- (iii) Copy of admission and discharge slip
- (iii) Summary of the case, including outcome
- (iv) Consultation charges/ Diagnostic/ Package Charges as applicable.
- (v) Other charges if any, not included above(to be specified).

(e) **Mode of Payment.** Bills and connected documents will be submitted by Hospitals, Nursing homes and Diagnostic Centres to the Polyclinic from where the patient was referred. Officer In-Charge (OIC) Polyclinic will authenticate the bills and forward to concerned Senior Executive Medical Officer (SEMO)/ Principal Medical Officer (PMO)/ Senior Medical Officer (SMO) for scrutiny and onward despatch to Station Headquarters for payment. Payment will be made by cheque and will be subject to post-audit.

(f) **Treatment at Military Hospitals.** Hospital Stoppage Rolls and any other charges expended for treatment in Military Hospitals will be paid in full by the member and is not reimbursable.

#### **SPECIALITY TREATMENT**

5. The procedure for referral and reimbursement for speciality procedures will be as follows:-

(a) **Specialised tests and treatment**

(i) **Referral Procedure.** Ex-Servicemen or dependents will only be referred to the empanelled hospitals/diagnostic centres for specialized tests and treatment by the specialist at Polyclinic, specialist of Service hospital or specialist at empanelled hospitals/diagnostic centre. Only in case of emergencies and life threatening situations will a non specialist medical officer of the Polyclinic refer a patient directly for specialized tests and treatment. In such cases, a certificate to this effect will be endorsed by the referring medical officer. Payment to empanelled specialists/super specialist will be made as per procedure laid down.

(ii) **Speciality Treatment.** For treatment procedures in Cardiology Nephrology, Oncology, Joint Replacement and other expensive speciality treatment/ surgery, payment will be governed by the CGHS Rates for various procedures as revised from time to time. When the CGHS rates

for treatment are not available, rates of AIIMS *or actuals whichever is less will be applicable*. Where the AIIMS rates are not available, the actual cost of drugs and room rent etc will be reimbursed.

- (b) **Treatment at Medical Institutes of National Repute** - Certain Hospitals/ Institutes do not accept post-payment. Such Institutes will not ordinarily be empanelled under the ECHS. However admission/ treatment in the Institutes of National repute listed below will be permitted. In case ESM or their dependents are referred by ECHS Medical Officer/ Specialist to any of the Institutes mentioned below, an advance in the form of a crossed cheque payable to the concerned hospital will be drawn by the patient from the concerned Station Headquarter after submitting the referral form by an ECHS Polyclinic and estimate from the concerned hospital. The hospitals where such an arrangement will be permitted will be:-

- (i) All India Institute of Medical Sciences, New Delhi.
- (ii) Post Graduate Institute, Chandigarh
- (iii) Sanjay Gandhi Post Graduate Institute, Lucknow.
- (iv) National Institute of Mental Health and Neurosciences, Bangalore.
- (v) Tata Memorial Hospital, Mumbai ( for Oncology)
- (vi) JIPMER, Pondicherry.
- (vii) Christian Medical College, Vellore.
- (viii) Shankar Nethralaya, Chennai.
- (ix) Medical Colleges and Hospitals under the Central or State Governments.

6. Under certain special circumstances reimbursement of cost of medicines will be permitted only if the patient was referred by Polyclinic for speciality treatment and the medicines were prescribed to be taken with immediate effect on discharge. The special conditions are:-

- (a) Post operative cases of major Cardiac Surgery/Interventional Cardiology.
- (b) Oncology.
- (c) Post operative organ transplant cases.
- (d) Post operative joint replacement cases.
- (e) Post operative major Neurosurgical/ Neurology cases.

7. The ex-serviceman should present the suitable prescriptions for medicines for above conditions to the O I/C Polyclinic immediately after discharge. A special demand for medicines will be raised by the O I/C Polyclinic, through usual channels to the AFMSD. The drugs will be procured from AFMSD under the normal procedures. Drugs will be procured from concerned SEMO if ' NotAvailable' at AFMSD. In the interim, drug purchased by ex-servicemen, is reimbursable. The period of reimbursement in such cases will be limited to one month after date of discharge from Hospital or date of issue of medicines from Polyclinic which ever is earlier

### **EMERGENCY TREATMENT**

8. In emergencies and life threatening conditions, when patients may not be able to follow the normal referral procedure , the patients may report to the nearest hospital, preferably empanelled.

(a) **Empanelled Hospital** – Immediate emergency treatment in any Empanelled hospital will be rendered to ESM on confirmation of ECHS membership from the ECHS card. Payment for such treatment will be regulated as under:-

- (i) Empanelled hospital will inform ECHS Polyclinic about the emergency admission at the earliest but not later than 24 hrs.

- (ii) The empanelled hospital will not collect payment from ECHS member
  - (iii) The actual cost incurred for emergency procedure will be payable by ECHS. Bill for emergency treatment will be forwarded to concerned Polyclinic for payment as per normal procedure. Such bills will be superscribed with 'EMERGENCY TREATMENT' written in Block capitals in Red.
  - (iv) On learning about admission of an ECHS member in an Empanelled hospital, the O I/C Polyclinic will make arrangements for verification of the facts.
  - (v) If, during the course of investigations/treatment a specific diagnosis is established requiring further management, the facts will be verified by concerned O I/C Polyclinic and the patient referred for the same formally.
  - (vi) In case of malpractice, unethical practices or medical negligence by an empanelled Hospital or Nursing home particularly in management of emergencies necessary action will be taken by the Station Commander to dis-empanel the Hospital or Nursing Home.
- (b) **Non- Empanelled Hospital** – Ex-servicemen or his representative should inform nearest Polyclinic within 48 hrs of such admission. The responsibility for clearing bills will rest with the Ex-Serviceman. He/she will submit the bills alongwith summary of the case to the concerned Polyclinic. The sanction for reimbursement as per approved rates, will be accorded by Central Org, ECHS. Such bills will be submitted within a period of one month from the date of discharge from hospital.
- (c) The Empanelled or Non-Empanelled Hospital will be liable to pay damages to the beneficiaries in case of medical negligence in emergencies, and the Hospital/Nursing Home alone shall deal with legal liabilities, if any. ECHS will not have any legal liability in such cases.

## **OTHER CONDITIONS**

9. In cases where facilities for treatment are not available in Armed Forces Hospitals and in certain special conditions, the procedure for referral and treatment will be as follows:-

- (a) **TB & Leprosy**. No OPD Charges will be reimbursable. TB and Leprosy will be treated through National programmes at District level. However when the patients require admission for the condition, rates of CGHS as applicable to LRS Institute of TB and Allied Disease will be applicable for hospitalization.
- (b) **Hearing Aids**. The equipment will be entitled to patients based on the recommendations of ENT Specialist after clinical and audiometric justification. The OIC Polyclinic, will procure the Hearing Aid in consultation with the SEMO, and issue to ESM. Replacement is permitted after a minimum 5 years life of the Hearing Aid, based on a condemnation certificate and approval of ENT Specialist. Digital Hearing Aid will only be given on recommendations of three ENT specialists including at least one service specialist. Actual cost of hearing aid or CGHS rates whichever is lesser will apply.
- (c) **Mental Diseases**. In all Mental illness cases the patient will be referred to Service Psychiatrist / empanelled hospitals for OPD consultation. Drugs issued for the patient will be procured by the OIC Polyclinics / SEMO through special demand. Cases requiring hospital admission will be referred to authorized empanelled/Govt hospitals only. Provisions of Mental Health Act, 1987, as amended, will be applicable for all such hospital admissions. Payment will be made in full for admission to Govt hospitals and prescribed rates of CGHS will apply for empanelled hospitals.
- (d) **HIV/ AIDS**. Ex-service pensioners boarded out of service due to AIDS will be provided

treatment as prescribed by Armed Forces Centres for such treatment, at the time of discharge. Treatment will be made available to such individuals with effect from two months after the date of discharge. Fresh cases of HIV/ AIDS amongst members of ECHS, including dependents will be referred to nearest Armed Forces Immuno-deficiency Centres, and treatment as prescribed from these Centres only will be made available.

(e) **Artificial Limbs/Appliances.** Artificial Limbs/Appliances will be reimbursed in full when procured and fitted at Artificial Limb Centre (ALC) Pune, and Artificial Limb Sub Centres in the AFMS hospitals. CGHS rates will apply in other cases treated in empanelled hospitals.

(f) **Rehabilitation/Terminal Care** - Rehabilitation/Terminal care will be provided in empanelled rehabilitative homes and hospices. Patients admitted to Service hospitals or empanelled hospitals/nursing homes where the finality of treatment has been reached and definitive medical treatment has run its course, will be referred to rehabilitative homes/hospices for nursing care and rehabilitation. The conditions for which rehabilitative care will be admissible will be paraplegia, quadriplegia, Alzheimer's disease, cerebrovascular accidents, other neurological and degenerative disorders, amputations, cancer terminal care and other such medical conditions when duly referred by treating specialists. Approval of SEMO/SMO/PMO will be obtained for these referrals. The payments for such cases will be regulated as under :

- (i) Rates of payment for rehabilitation/terminal care cases will be limited to maximum rates permissible under CGHS for Special Nursing/Attendant charges PLUS charges for medical treatment as per CGHS rules. Where the rates of CGHS are not laid down, AIIMS charges *or actuals which ever is less* will be applicable. In case rates have not been defined by AIIMS, the actuals will be reimbursed. Rehabilitative care/terminal care does not include old age homes.
- (ii) Reimbursement will be limited to maximum period of 6 months. Thereafter cost of such care has to be borne by the patient.

(g) **Medical Equipment for Residences** - Medical Equipment including nebulisers, CPAP/BIPAP machines and glucometers etc as authorized under the CGHS will be issued to members, when use of such equipment is considered absolutely essential on medical grounds, on recommendations of the Specialist and approved by the Senior Advisor and Consultant of the concerned speciality under whose jurisdiction the Polyclinic is located. The equipment will be procured through a special demand by the O I/C Polyclinic. Consumables for the equipment will be issued under arrangements of O I/C polyclinic. Cost on repair and annual maintenance contracts will be borne by the member themselves and will not be reimbursable.

(h) **Medical Examination/Health check up/Screening tests** – The ECHS beneficiaries may undergo medical examination/health check up at the Polyclinic once a year. The medical examination/health check up will be limited to facilities available in the Polyclinic. Referrals to empanelled institutes for Medical examination/Health check up/ Screening tests are not permissible. Such Medical Examinations would be permitted only after all 227 Polyclinics have been established and made fully functional.

(j) **Dental Treatment** – Dental treatment including referrals will be as per laid down procedures for other medical cases. Dentures will be permitted only if advised by Dental officer at ECHS Polyclinic or Service Dental officer. A particular type of partial/complete denture will be permitted on one time basis only for each member/dependent of the scheme as per CGHS rates.

(k) **Intra Ocular Lens** – Intra ocular lens (IOL) implantation will be provided to ECHS members preferably at nearest service eye center. In case of IOL implantation undertaken at Civil hospitals,



payment will be limited to prevailing CGHS rates. Type/make of IOL implanted will be specified in the bills by empanelled hospital.

(l) **Spectacles** - Spectacles will not be provided under ECHS except post operatively in cases of conventional operation of cataract. Cost of spectacles in such cases will be limited to Rs 200/- only . Replacement of Spectacles will be admissible once in three years provided the same is undertaken on the advice of the Medical Officers of the Polyclinic or empanelled Consultant.

(m) **Plastic Surgery** – Reimbursements, payments for Plastic surgery will not be permissible under ECHS except for therapeutic reasons and in post traumatic cases on recommendations of SEMO/SMO/ PMO. Provisions of CGHS and package deal rates/ceilings will apply

### **DIAGNOSTIC TESTS & OTHER INVESTIGATIONS CHARGES**

10. Investigations/laboratory diagnoses will be carried out at ECHS clinics in normal course. Referral for the tests, if required, will only be made by the Medical Officer ECHS/ Specialist to empanelled Diagnostic Centres/ Hospitals/ Nursing Homes. The rates will be same for all types of beneficiaries. The charges as approved by the CGHS for investigations will be valid for ECHS.

### **OPD CHARGES**

11. Charges for drugs and other consumables for outpatient treatment are *not reimbursable* except under special conditions as listed in para 6 above. Medicines will be procured by the ECHS clinics and issued to the patients.

### **TRAVELLING ALLOWANCE**

12. The following procedure will govern the movement of patient to referred clinics:-

(a) **Admissibility**

(i) Travelling Allowance for journeys undertaken for medical treatment (both ways) is admissible to ECHS beneficiaries for treatment in another city if such treatment is not available in the same city and referral is advised by ECHS medical officer/Specialist. Amount admissible will be limited to rail fare in entitled classes as applicable at the time of retirement by shortest/main route, or actual expenditure, whichever is less.

(ii) One attendant or escort who is required to travel along with the patient will be entitled to traveling allowance if the medical officer/attending the patient has certified in writing that it is unsafe for the patient to travel alone and such attendant escort is necessary to accompany the patient. Amount as admissible to the patient is reimbursable.

(b) **Ambulance** - Ambulance services authorized in Polyclinic may be utilized for patients when being referred to service/empanelled hospitals in the same city.