



## **ABSTRACT**

Insurance – Chief Minister’s Insurance Scheme for Life Saving Treatments – Scheme formulated in G.O. Ms. No.49 Health and Family Welfare Department dated 04.02.2009 – Revised Administrative Sanction – Expenditure Rs.317.307 crores sanctioned – Orders Issued.

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### HEALTH AND FAMILY WELFARE (EAP II / 2) DEPARTMENT

G.O. (Ms) No.200

Dated 13.07.2009

Read:

- i) G.O. Ms. No.49 Health and Family Welfare Department dated 04.02.2009.
- ii) G.O. Ms. No.72 Health and Family Welfare Department dated 16.02.2009

Read also:

- iii) From the Mission Director, State Health Society letter No.1008 / P5 / SHS / 2009 dated 17.06.2009.

### **ORDER:**

In the Government Orders first read above, the Government of Tamil Nadu introduced the Insurance Scheme called “Chief Minister Kalaignar’s Insurance Scheme for Life Saving Treatments”. In the said G.O., State Empowered Committee chaired by the Chief Secretary to Government of Tamil Nadu was constituted to review the implementation of the Insurance Scheme periodically and to provide operational guidelines for the scheme whenever required. In the said Government order, an amount of Rs.200 crores was sanctioned towards payment of the premium to the Insurance Company for implementation of the above scheme.

2. The Mission Director, State Health Society in the letter third read above has stated that all the formalities of the Tenders were completed and L1 was selected. L1 Tenderer quoted Rs.999 as premium per family. Detailed discussions were held to bring down the L1 quoted price by negotiation. The final bid offer of the L1 Tender after negotiation was placed before the State Empowered Committee on 08.06.2009. The Empowered Committee approved the final rate of Rs.469/- per family inclusive of Card cost excluding Service Tax for each year for a period of four years given by the L1 Tenderer “M/s. Star Health and Allied Insurance Company Limited, Chennai”. The terms of the additional undertaking given by the company that in case the claim ratio works out to be less than 65% (of the premium paid) inclusive of the card cost during the policy period, the difference between the incurred claim (claims paid and claims outstanding) as at the end of each policy period and the 65% of the premium paid including the Card cost will be paid back to Government has been accepted and taken on record by the Committee. Based on the agreed L1 price, the premium payable and service tax are worked out assuming the number of insured families to be one crore as indicated below:

Premium at Rs.469 per family for one crore family	Rs.469.000 crores
Service Tax at 10.3%	Rs.48.307 crores
<b>TOTAL</b>	<b>Rs.517.307 crores</b>
Amount sanctioned in G.O. Ms. No. 49 Health and Family Welfare Department dated 04.02.2009	Rs.200.000 crores
<b>Additional provision required</b>	<b>Rs.317.307 crores</b>

The Mission Director has requested to sanction the additional provision of Rs.317.307 crores in the RE / FMA 2009-10.

3. The State Empowered Committee in the meeting held on 20.4.09 and 8.6.09 has taken the following decisions:

- (i) The State Health Insurance Unit may be set up under the Tamil Nadu Health System Society. The exact scale of staff would be decided between the Health Department and the Finance Department based on the staff already available under the Tamil Nadu Health System Society.
- (ii) The State Empowered Committee constituted under the Chairmanship of the Chief Secretary shall function as the State level Monitoring Committee when the Insurance scheme starts its implementation.
- (iii) The Committee approved the inclusion of the Project Director, Tamil Nadu Health System Project as Member Convener of the Empowered Committee.
- (iv) At the District level, the programme would be implemented by the Revenue Department with a District Core Group under the Chairpersonship of the District Collector with the Deputy Collector (Social Security Schemes) as convener and the District Labour Officer, Joint Director of Medical and Rural Health Service, Deputy Director of Health Services, Dean of Medical College, District Programme Manager, Tamil Nadu Health System Project and representatives of Rural Development and Municipal Administration Departments as members.
- (v) To nominate the Project Director, Tamil Nadu Health Systems Project as the nodal officer for this scheme and to position the staff for administering this scheme in the Tamil Nadu Health System Society office as already approved by the State Empowered Committee.
- (vi) To nominate the Project Director, Tamil Nadu Health Systems Project and Secretary to Government, Municipal Administration and Water Supply Department as members of the State Empowered Committee.

4. The Government after careful examination accord revised administrative sanction to implement the 'Chief Minister Kalaignar's Insurance Scheme for Life

Saving Treatments' at a cost of Rs.517.307 crores (Rupees five hundred and seventeen crores, three lakhs and seven thousand only) per annum as premium for four years including service tax. They also sanction an additional amount of Rs.317.307 (Rupees three hundred and seventeen crores, three lakhs and seven thousand only) towards payment of premium to the M/s. Star Health and Allied Insurance Company, Chennai to implement the scheme.

5. Necessary additional funds will be provided in the Supplement Estimates 2009-10. Pending provision of such funds, the Mission Director, State Health Society is authorized to draw the above amount to incur the expenditure and is requested to forward the Explanatory Note at appropriate time.

6. The Government also issue the following orders:

- i) In partial modification of the orders already issued in para 3 (vii) in G.O. Ms. No.49 Health and Family Welfare Department dated 04.02.2009 it is now ordered that all members who are given Identity Cards under Tamil Nadu Agriculture Labourers – Farmers (Social Security and Welfare) Scheme 2006 and the members registered in the Tamil Nadu Manual Workers Welfare Boards and 11 other Boards, Tamil Nadu Construction Workers Welfare Board and various unorganized Labour Welfare Boards will be included as eligible beneficiaries under the scheme. In addition to this, any family whose annual income is less than Rs.72,000 (Rupees seventy two thousand only) as certified by the Village Administrative Officer, will be enrolled as members under the scheme. However, Government Employees, Pensioners and persons who are covered under the Employees State Insurance Scheme (ESI Scheme) are not eligible for enrolment as members under this Insurance Scheme.
- ii) The State Health Insurance Unit will be set up in the office of the Tamil Nadu Health Systems Society. The Project Director, Tamil Health System Project is nominated as Nodal Officer to implement the Chief Minister Kalaignar's Insurance Scheme for Life Saving Treatments. He will send proposals to Government for sanction of staff to administer the scheme.
- iii) The Secretary to Government, Municipal Administration and Water Supply Department, Chennai and the Project Director, Tamil Nadu Health System Project are nominated as the Members of the State Empowered Committee constituted in G.O. Ms. No.49 Health and Family Welfare Department, dated 4.2.2009. The Project Director, Tamil Nadu Health System Project shall be the Member Convener of the Committee.
- iv) The State Empowered Committee constituted in the G.O. first read above under the Chairpersonship of Chief Secretary to Government of

Tamil Nadu shall function as the State Level Monitoring Committee when the Insurance scheme starts its implementation.

- v) This Insurance Scheme shall be implemented by the Revenue Department in the Districts. A District Core Group is constituted under the Chairpersonship of the District Collector with the following members:

District Collector	:	Chairperson
Deputy Collector (Social Security Schemes)	:	Member Convenor
District Labour Officer	:	Member
Joint Director of Medical and Rural Health Services	:	Member
Deputy Director of Health Services	:	Member
Dean of the Government Medical College	:	Member
District Programme Manager, Tamil Nadu Health System Project	:	Member
Representative of Rural Development and Municipal Administration nominated by the District Collector	:	Members

7. The additional amount sanctioned in para 4 above shall be debited to the following heads of account:

- (i) 2210 Medical and Public Health  
80 General  
800 Other Expenditure  
Schemes in the Eleventh Five Year Plan  
II State Plan  
JB Chief Minister Kalaignar's Insurance Scheme for Life Saving Treatments  
10 Contributions  
02 Insurance Premium  
(DPC 2210 80 800 JB 1026) - - - - Rs.211.538 cr.
- (ii) 2210 Medical and Public Health  
80 General  
789 Special Component Plan for Scheduled Castes  
Schemes in the Eleventh Five Year Plan  
II State Plan  
JA Chief Minister Kalaignar's Insurance Scheme for Life Saving Treatments under Special Component Plan  
10 Contributions  
02 Insurance Premium  
(DPC 2210 80 789 JA 1024) - - - - Rs.105.769 cr

The amount sanctioned above shall not be paid in cash but contra credited to the Personal Deposit Account of Tamil Nadu State Health Society as detailed below:

“K. Deposits and Advances (b) Deposits not bearing interest 8443.00. Civil Deposits. 800. other Deposits. DP. Deposits of Tamil Nadu State Health Society. (DPC 8443-00-800-DP-0000) (OUTGO) (DPC 8443-00-800-DP-000A) (RECEIPTS)”

8. This order issues with the concurrence of the Finance Department vide its U.O.1872/FS(P)/Health I/09-1 dated 13.7.2009 and Additional sanctioned Ledger No.374 (Three Hundred and seventy four)

(BY ORDER OF THE GOVERNOR)

V.K. SUBBURAJ  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Mission Director, State Health Society, Chennai-6.  
The Project Director, Tamil Nadu Health Systems Project, Chennai-6  
All District Collectors  
The Accountant General, Chennai-18.  
The Commissioner of Treasuries and Accounts, Chennai-35.  
The Pay and Accounts Officer (South), Chennai-35.  
The Secretary to Government,  
Municipal Administration and Water Supply Department, Chennai-9

Copy to

The Private Secretary to Chief Secretary to Government, Chennai-9.  
The Private Secretary to Principal Secretary to Government,  
Health and Family Welfare Department, Chennai-9.  
The Principal Secretary to Government, Finance Department, Chennai-9.  
The Principal Secretary to Government, Revenue Department, Chennai-9.  
The Secretary to Government, Labour and Employment Department, Chennai-9.  
The Director of Medical Education, Chennai-10.  
The Director of Public Health and Preventive Medicine, Chennai-6.  
The Director of Medical and Rural Health Services, Chennai-6.  
The Commissioner of Labour, Chennai-6.  
The Hon'ble Chief Minister's Office, Chennai-9.  
The Senior Personal Assistant to Hon'ble Minister for Finance, Chennai-9.  
The Senior Personal Assistant to Hon'ble Minister for Health, Chennai-9.  
The Finance (Health-I / BG-I/BG-II/W.M.II) Department, Chennai-9  
The Revenue Department, Chennai-9.  
The Rural Development and Panchayat Raj Department, Chennai-9  
SF / SC

/ FORWARDED / BY ORDER /

SECTION OFFICER