Press Release

IMA and AHPI appeals to government to clear payments of CGHS empanelled hospitals

New Delhi October 5th, 2016: It is irony that CGHS fix the rates by calling tenders and then making L1 as industry standard, a practice unheard anywhere in the world, said Dr K K Aggarwal President Elect IMA and Dr Girdhar Gyani Director General of association of Health Care Providers of India.

Many of rates fixed are illogical and unviable.

Ideally speaking none of the hospitals which follow standard protocols should accept to be empanelled under these conditions.

Unfortunately most PSUs and even other central government schemes empanel hospitals, if they are empanelled with CGHS. It becomes bit difficult for hospitals to keep away from all such schemes more so in NCR Delhi. In a way hospitals get exploited by the CGHS.

World over quality and patient safety are driven by regulator and/or payers. It is irony that CGHS which is arm of MOHFW, Government of India does exactly the opposite. It shows scent respect for patient safety and purchases health services for its valued employees as if it was procuring POTATOs or ONIONs.

In the process the patient safety is bound to get jeopardized.

The government should realize that it was duty bound to ensure that population get safe (first) and affordable (later) health services.

CGHS should adopt rates of medical procedures on scientific basis. The government should invite rates from NABH accredited hospitals, which are certified on highest possible standards of patient safety and after verifying their scope of services in terms of systems, processes, equipment, manpower etc. CGHS can later take average and apply across the country.

In spite of accepting unviable rates, least CGHS could do is to make payment to hospitals in time. It is ironical that CGHS as government agency is not respecting/adhering to the written agreement to pay 70% of fee within 5-days.

Till date not a single bill has ever been paid in this stipulated time. On the contrary, it takes months and years before hospitals are paid their dues. The situation is so grim that hospitals have begun to bleed due to huge outstanding amounts. The system is so bad that at any point of time the total
outstanding due to hospitals remain between 200-300 crores for months. One group of hospitals in NCR has outstanding of 75 crores for past 3-months. Similarly one super specialist hospital has an outstanding of 25-crores. Outstanding of the hospital also includes the payments to be given to the treating doctors.

How will a doctor or a medical establishment work if the payments are not given to them in time. The doctors have provided all services without any delay and that too when the services are being provided for peanuts amount.

The CGHS charges for Septoplasty are only Rs 6613, for tonsillectomy are 5750, for appendectomy are 9324, for Coronary Care with Cardiac Monitoring are 863 and Ventilator Charges per day are 611. Given this cost in routine, one cannot cover so then how can one absorb the cost of interest and delayed payment.

Government agreements are supposed to be most sacrosanct documents and it is one of rare case that such agreements are being violated so openly.

Many hospitals are being pushed to the limit of unsustainability on account of huge outstanding from CGHS.

IMA and AHPI in the past had represented jointly to Parliament Standing Committee after rates were announced by CGHS in October 2014. The committee agreed with our point of view and recommended to MOHFW to revise the rates. Sadly CGHS did revise only 19-rates and left others untouched.

Similar schemes being run by state governments like TN, AP, TELANGANA etc. These schemes are fully digitized and payments are made within 2-4 weeks. In case of CGHS, the scheme is being run by officer in the rank of Additional Secretary and yet we have not been able to make it objective, transparent or dynamic.

Soon government will be launching National Health Protection scheme (1-lakh) and will not take up if CGHS empanelled hospitals are treated like the way are being treated currently.

As per MCI Ethics Regulations doctors are supposed to uphold the dignity and honors of the profession. Their main object and the vary purpose of practice is to render services to humanity and reward of financial gain has to be my subordinate consideration. They are supposed to give priority to the interest of the patient. Their personal financial interest should not conflict with the medical interest of the patient. I am supposed to announce my fee before rendering service and not after the operation or treatment. They cannot enter with a no-cure no-payment agreement with my patients. They are supposed to provide my services without expecting any considerations. They have an obligation to the sick and I have to see to it that the patient is not neglected.

They are not supposed to insist for any advance money for providing treatment to a road traffic accident in emergency and are supposed to provide free treatment to all patients with acid burn, rape and child sexual abuse.

Their charges, as per Clinical Establishment Act, have to be reasonable and can be controlled by the state Govt.

The doctors all these years have been accepting and adhering to all this with humility, but they deserve to get their legal dues in time.
If they are required to be punctual while giving services to patients they are also entitled to get my reimbursements in time. How can one survive if CGHS, ESI, PSUs or insurance companies do not clear my dues in time?

If they have some doubts and clarifications, they can withhold that part of payment and clear the rest. Many hospitals pay the consultants all their dues if they agree to get 5% deducted from their payment.

All payments given after the due agreed date should be reimbursed with the market interest rate. When the compensation is awarded by a Consumer Court against a doctor and in favour of a patient, the doctors are required to pay the compensation along with the interest rate. In the famous Anuradha Saha Case the Supreme Court decided a compensation of Ra 12 Crores and out of this 50% was the interest money.

Will this delay in reimbursement not force the medical establishments to forge inflated bills so that they can cover the cost of the future interest?

It’s time to introspect and fight in one voice.

The IMA-AHPI task force said that if by 31st October, 2016 CGHS empanelled hospitals are not paid their due payments the said hospitals will be constrained to stop extending cashless hospitalization services IMA will support their move at a national level.

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**About IMA:** Indian Medical Association is the only representative, national voluntary organization of Doctors of Modern Scientific System of Medicine, which looks after the interest of doctors as well as the well being of the community at large. It has its Headquarter in Delhi and State / Terr. Branches in 29 States and Union Territories. It has over 2, 53,000 doctors as its members through more than 1650 active local branches spread across the country.

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