



WP(MD)No.7212 of 2023

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

WEB COPY

DATED : 07.01.2026

CORAM:

THE HONOURABLE MR.JUSTICE B.PUGALENDHI

WP(MD)No.7212 of 2023

P.Ravi

...Petitioner

Vs

- 1.The District Level Empowered Committee,
Represented by the Chairman / District Collector,
New Health Insurance Scheme for Government Employees,
Madurai.
- 2.The Superintendent of Police,
Madurai District.
- 3.M/s.United India Assurance Company Limited,
Represented by its Regional Manager,
Regional Office, Pandiyan Building,
Door No.7A, Floor No.1,
West Veli Street, Madurai – 625 001.
- 4.M/s.MD India Healthcare Services (TPA) Pvt Ltd,
Represented by its Authorised Officer,
No.27, Lakshmi Towers,
3rd Floor Dr.Radhakrishnan Salai,
Mylapore, Chennai – 600 004.
- 5.The Secretary to Government,
Health and Family Welfare Department /
Chairman of Aggregate Committee,
Chennai.



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6.The Secretary to Government,
Finance Department,
Chennai.

7.The Dean,
Velammal Medical College Hospital, Madurai,
Velammal Village, Anuppanadi Near Chinthamani,
Madurai -625009

[R5 is suo motu impleaded vide order
dated 17.12.2025 and R6 and R7 are suo
motu impleaded vide order dated
07.01.2026]

PRAYER: Writ Petitions filed under Article 226 of the Constitution of India for issuance of a Writ of Mandamus by directing the respondents 3 and 4 to reimburse a sum of Rs. 2,72,406/-(Rupees Two Lakhs Seventy two thousand Four Hundred and Six only) towards the petitioners medical claim under the Government of Tamil Nadu New Helath Insurance Scheme 2012 for Government Employees by considering the Petitioners representation dated 26.08.2022 within a reasonable time period to be fixed by this Court.

For Petitioner : Mr.R.Rajmohan

For Respondent : Mr.A.Shajahan

Nos.1 and 3

For Respondent : Mr.C.Venkatesh Kumar,
Nos.2,5 and 6 Special Government Pleader

: Mr.B.Saravanan, Senior Counsel
Amicus Curiae



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ORDER

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The petitioner is a Government Servant working as a Head Constable. In the year 2022, he underwent Aorto Bi-Iliac Bypass surgery with bifurcation grafting on 26.05.2022 in Velammal Medical College Hospital, Madurai.

2.The petitioner being a government servant, is covered under the New Health Insurance Scheme – 2021 implemented by the government. The insurance scheme provides for cashless treatment to the government servants in the network hospitals for the listed diseases. Velammal Medical College Hospital, Madurai, wherein he has taken the treatment is a network hospital and the nature of illness is a listed disease as per the New Health Insurance Scheme - 2021, implemented vide GO.Ms.No.160 Finance Department, dated 29.06.2021. Though he is covered under this Insurance Scheme and the scheme provides cashless treatment, he was forced to pay a sum of Rs.2,73,494/-. The hospital has raised a bill for a sum of Rs.3,73,494/-, out of which, the 3rd respondent insurance company has sanctioned a sum of Rs.1,01,008/- as the eligible amount. Aggrieved by this the petitioner has approached this court seeking a writ

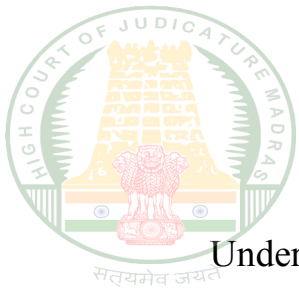


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of mandamus directing the respondents 3 and 4 to reimburse the amount of Rs.2,73,494/- incurred by him in a network hospital.

3.The learned counsel for the 3rd respondent insurance company admits that the petitioner is covered under the New Health Insurance Scheme of the government implemented vide GO.Ms.No.160 Finance Department, dated 29.06.2021 and that the petitioner underwent vascular surgery of Aorto Bi-Illac bypass surgery with bifurcation grafting on 26.05.2022 in Velammal Hospital, which is a network hospital and the illness is also a listed one. However according to him as per the scheme, the petitioner is entitled for a sum of Rs.1,01,088/- for the treatment taken by him and the same has been paid.

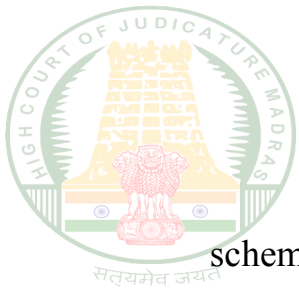
4.The petitioner is a government servant and he is covered under the New Health Insurance Scheme of the government. The New Health Insurance Scheme - 2021 has been announced by the Government of Tamil Nadu vide G.O.Ms.No.160, Finance (Salaries) Department, dated 29.06.2021 with an object to provide comprehensive medical assistance to the employees of Government Departments, State Public Sector



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Undertakings, Statutory Boards, Local Bodies, State Government Universities and other eligible institutions, along with their family members. The scheme is structured as a cashless treatment model in empaneled network hospitals. Under this model, it is envisaged that the beneficiary shall not make any out of pocket expenditure for eligible medical expenses from the time of hospitalization until the date of discharge. The coverage under the scheme is provided up to Rs. 5,00,000/- per employee (including family members) during the block period and enhanced coverage up to Rs.10,00,000/- for specified illnesses, subject to an overall ceiling of Rs.10,00,000/- per family. The Commissioner of Treasuries and Accounts is the administrator of the scheme.

5.As per the scheme, a monthly sum of Rs.300/- (Rs. 295 for subscription to the scheme plus Rs.5 for employee contribution to the corpus fund) is deducted from the salary of the employees. It is pertinent to note that the network hospitals are obligated to extend cashless treatment as per the scheme and if any fraudulent claim is made on the side of the network hospitals, the hospitals can be removed from the



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scheme. Further, the Insurance Company is expected to facilitate hassle free treatment under the scheme and if any claim is wrongly denied or restricted, then the insurance company is required to reimburse the beneficiary with the claim amount along with 12% interest under Clause 11(1) of the scheme. The Insurance Company can also be imposed with a monetary penalty for deficiency of service under Clause 22 of the scheme.

6.The petitioner as a Head Constable is covered under Health Insurance Scheme – 2021 and the treatment taken by the petitioner is for a listed disease and the hospital, in which the petitioner taken treatment is also a network hospital as per the government order GOMs.No.160 Finance Department, dated 29.06.2021. However the hospital has charged a sum of Rs.2,72,406/- in addition to the amount mentioned under the scheme and he was compelled to pay the same, otherwise he would not have been discharged from hospital.

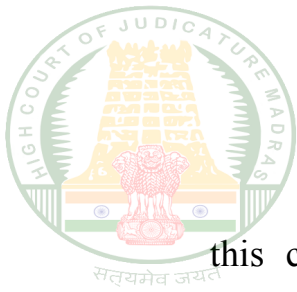
7.The Insurance Company has not furnished the break-up details of the amount fixed as per the scheme. The counter affidavit filed by the 3rd



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respondent states that the amount of Rs.1,01,088/- fixed, includes room rent, nursing charges, operation theatre charges and the eligible medical expenses upon hospitalisation of the petitioner till the date of his discharge. Cashless insurance scheme, by its very nature, intended to eliminate the burden of up front payment at the time of medical emergency, considering the financial difficulties faced by the government servants. The cashless treatment also promotes transparency, standardisation of treatment costs through predefined package rates, and accountability of hospitals and insurers, thereby serving the broader public interest. However, for the reasons best known to them, the break-up under each item has not been furnished by the Insurance Company. Therefore, this court *suo motu* impleads the Secretary to Government, Finance Department, Fort St.George, Chennai, as a party to this writ petition and expects a report from them as to the manner the amount is fixed for the insurance scheme as per GO.Ms.No.160 and the break-up details of the same.

8.Considering the manner in which the hospital has charged an excess amount for the treatment provided under the insurance scheme,



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this court *suo motu* impleads the Dean, Velammal Medical College Hospital, Madurai, as a party to this writ petition.

9. Notice to the newly impleaded respondents. The learned Special Government Pleader is directed to take notice for 6th respondent and shall get instructions from the 5th and 6th respondents. The petitioner is permitted to serve notice to the 7th respondent.

10. Considering the public interest involved, this court requests Mr.B.Saravanan, Senior Counsel to assist this court in this issue as an Amicus Curiae. The petitioner is directed to furnish a copy of papers to the learned Amicus Curiae.

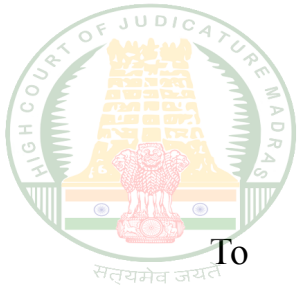
Post the matter on 27.01.2026. Registry is directed to make necessary amendments in the cause title and to print the name of the learned Amicus in the cause list.

07.01.2026

Index : Yes / No

DSK

Note: Issue order copy on 12.01.2026



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