BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 18.02.2026

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 is 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.

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 18.02.2026]

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 Nos.1 and 3 : Mr.A.Shajahan

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

For Respondent No.7 : Mr.Issac Mohanlan, Senior Counsel for Mr.L.Shaji Chellan
: Mr.B.Saravanan, Senior Counsel Amicus Curiae

ORDER

The petitioner is a Head Constable covered under the New Health Insurance Scheme – 2021 introduced by the Government of Tamil Nadu through G.O.Ms.No.160 Finance Department, dated 29.06.2021.

2.In May 2022, the petitioner underwent Aorto Bi-Iliac Bypass surgery with bifurcation grafting at Velammal Medical College Hospital, Madurai which is a network hospital under the scheme. The illness for which he took treatment is also a listed disease under the insurance scheme. As per the scheme, beneficiaries should not incur any out-of-pocket expenditure from the date of admission till the date of discharge. The coverage extends up to Rs.5,00,000/- per employee (with enhanced limits for specified illnesses). However, despite being eligible for cashless treatment, the hospital raised a total bill of Rs.3,73,494/-. Out of this, the insurance company sanctioned only Rs.1,01,008/- as reimbursement under the scheme. The remaining amount of Rs.2,73,494/- was allegedly collected from the petitioner, and he claims that he was compelled to pay the amount in order to get discharged from the hospital.

3.The petitioner claims that since he is a contributing member of the scheme, with Rs.300/- deducted monthly from his salary and since both the hospital and treatment are covered under the scheme, the denial of full reimbursement is against the terms of the scheme.

4.The New Health Insurance Scheme – 2021 contemplates cashless medical treatment to the government employees and their family members in the empaneled network hospitals for listed diseases. There is a tripartite agreement, which is in force among the government, insurance company and hospitals, in terms of GO.Ms.No.160 Finance Department, dated 29.06.2021.

5.The Insurance company / 3rd respondent has to ensure that the bills raised by the hospitals towards the treatment taken in the network hospitals for the listed disease is paid by them to the hospital. The respondent insurance company has taken a plea that they are bound to reimburse only the medical expenses specified as per the package rate.

Further the insurance company claims that this package amount has been fixed in consultation with the Government Doctors and the representatives of the insurance company.

6.The private hospital has made it very clear that they are not aware of any package rate and they have never agreed for any package rate as claimed by the insurance company. Further they claim that the petitioner was fully informed about the nature of the treatment and consented to undergo the surgery.

7.The learned Additional Advocate General appearing for the government claims that the package rate is arrived at between the insurance company, the hospital and the Third Party Administrator and therefore, the government has no role to play in fixation of the same. Further he claims that the government is paying 95% of the ad hoc premium in advance every year for this scheme and the balance annual premium will be paid at the beginning of every next year.

8.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/- as medical expenses in addition to the package rate and he was compelled to pay the same. There is no fault on the part of the petitioner in taking the above treatment in a network hospital as per the above government order.

9.The insurance company has taken a stand that they are bound to reimburse the medical expenses as per the package rate already fixed. Therefore, in order to ascertain the manner in which the package rate has been arrived at by the insurance company, this court by orders dated 18.02.2026 and 04.02.2026 directed the insurance company to furnish the details in this regard. However they have not produced the relevant details as sought for by this court.

10.The Insurance company was represented by the learned counsel Mr.Prabhu Rajadurai and on the last occasion, the learned counsel sought time to produce the details as to how the package rate has been arrived at by the insurance company and in the event it is not furnished by the insurance company, then he would not appear in this case. He kept his promise and did not appear today. The insurance company is adamant in not furnishing the details as to how they have arrived at this so called package rate.

11.This case has been repeatedly adjourned for want of these details. However the same is not furnished even after several opportunities were provided to the insurance company.

12.The learned Additional Advocate General claims that the government has got nothing to do with regard to the fixation of the package rate and the learned Senior Counsel appearing for the hospital also claims that they are not aware of this package rate fixed by the insurance company. However, the insurance company claims that this package rate has been fixed in consultation with the Government

Doctors, but there is no material placed before this court as to the minutes of the meeting involving the government doctors or the nature of the deliberations undertaken by them regarding the package rate.

13.Considering the fact that the respondent insurance company has not furnished the details to the queries repeatedly raised by this court, this court directs the Chairman-cum-Managing Director, United India Insurance Company Limited, No.24, Whites Road, Chennai -600 014, who is a signatory to the Agreement dated 30.06.2021 between the Government of Tamil Nadu and Insurance Company, to appear before this court either in person or through video conferencing in the next date of hearing, so as to explain the manner in which the package rates have been arrived at under the New Health Insurance Scheme – 2021 introduced by the Government of Tamil Nadu through G.O.Ms.No.160 Finance Department, dated 29.06.2021 and also to produce the records relating to the same.

Post on 23.02.2026 at 2.15pm under the caption for orders.

18.02.2026

DSK
Note: Issue order copy on 18.02.2026

To

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B.PUGALENDHI.J.,

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