



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.G.S. KAMAL

WRIT PETITION NO.8804 OF 2023 (GM-RES)

BETWEEN:

SAGAR HOSPITALS
HAVING OFFICE AT #44/54
30TH CROSS, TILAK NAGAR
JAYANAGAR EXTENSION
BANNERGHATTA ROAD
BENGALURU-560 041
REP BY MEDICAL DIRECTOR
DR. (LT. COL.) MAHENDRA KUMAR

...PETITIONER

(BY SRI BADRI VISHAL AND
SRI H. SRINIVAS RAO, ADVOCATES)

AND:

1. GOVERNMENT OF KARNATAKA
DEPARTMENT OF HEALTH
AND FAMILY WELFARE
#105, 1ST FLOOR, VIKAS SOUDHA
BENGALURU-560 001
REP. BY PRINCIPAL SECRETARY
2. THE EXECUTIVE DIRECTOR
SUVARNA AROGYA SURAKSHA TRUST
AROGYA SOUDHA, 7TH FLOOR
MAGADI ROAD, 1ST CROSS
BENGALURU-560 023
E: ED.SAST-HFW@KARNATAKA.GOV.IN





3. SMT. MALATHI SINGH
W/O. R. BALAJI SINGH
AGED ABOUT 52 YEARS
R/AT NO.205,
EAST WEST COLLEGE ROAD
ANJANA NAGAR, NAGARBHAVI
BENGALURU-560 091

...RESPONDENTS

(BY SRI R. A. MACHAKANUR, A.G.A., FOR R-1;
SRI AJAY KUMAR M., ADVOCATE FOR R-2;
SRI SHRIRAM ADIGA, ADVOCATE FOR R-3)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER BEARING NO.REF/HFW/ SAST/ VO/ 159/ 2022-23 DATED 20.01.2023 ISSUED BY RESPONDENT NO.2 AT ANNEXURE-A.

THIS PETITION, COMING ON FOR FURTHER HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE M.G.S. KAMAL

ORAL ORDER

On 25.02.2026, this Court, after hearing the learned counsel for the parties, had passed the following order;

"Issue raised in this petition is with regard to the applicability or otherwise of Ayushman Bharat-Arogya Karnataka (Ab-Ark) Scheme (for short, 'Ab-Ark Scheme') for payment of medical bills.

2. Respondent No.3 availed medical services from the petitioner-hospital and was issued with an



invoice as per Annexure-E, which included charges for both COVID-19 and non-COVID treatment. She was subsequently discharged on payment of the bill amounts. Thereafter, a dispute was raised with regard to excess billing by the petitioner-hospital, in contravention of the Government notification and AB-Ark Scheme, resulting in a direction being issued for reimbursement as per Annexure-A issued by respondent No.2.

3. Being aggrieved by the direction to reimburse the said amount, the petitioner-hospital is before this Court.

4. Learned counsel for the petitioner-hospital referring to the notification dated 23.06.2020 (Annexure-B) and the communication dated 03.09.2021 (Annexure-J), submitted that AB-Ark Scheme was not applicable at the time when respondent No.3 underwent treatment and was discharged. He further contended that, although the notification dated 23.03.2020 (Annexure-B) refers to such a scheme, no details thereof were made available. In any event, in terms of the communication dated 03.09.2021, even if empanelment is made compulsory, the same cannot be applied retrospectively. He submits that, even as of today, no clarification has been issued by the appropriate Authorities regarding the contents and mode of implementation of the said scheme; therefore, the petitioner-hospital cannot be held responsible.

5. On a query by this Court, respondent No.2 referred to Clause 3(vii) of the notification dated 23.06.2020 at Annexure-B, which reads as under:

"3(vii) All the hospitals shall get empanelled through the online portal of the Suvarna Arogya Suraksha Trust with desktop review of statutory documents by the SAST on a fast forward basis."

6. Referring to the same, learned counsel for respondent No..2 submits that all COVID-19 empanelled hospitals were mandatorily required to have themselves empanelled on the Arogya Suraksha Trust portal, which invariably required them to treat COVID-19 patients in terms of the packages mentioned in the notification, including patients with co-morbidities.



7. However, he seeks a week's accommodation to furnish the details of the additional package rates under AB-Ark Scheme, as well as the date of its applicability.

List this matter on 04.03.2026.

2. Today, learned counsel for the respondent No.2 has filed a memo along with list of benefit package of Ayushman Bharat-Arogya Karnataka (AB-ARK) scheme for the private hospitals and the Government hospitals as on 23.06.2020, which runs into 73 pages.

3. Learned counsel for the petitioner drawing attention of this Court to Annexures-D and E of the petition submits that the petitioner had raised bill for both COVID treatment as well as non-COVID treatment. The amount charged towards COVID treatment was Rs.8,47,000/- and for non-COVID treatment, Rs.11,28,000/-. He submits even at a cursory glance of the benefit package furnished by the respondent No.2, there is no mentioning of the non-COVID treatment accorded by the petitioner to respondent No.3. He also draws attention of this Court to the scope of Annexure-A to contend that respondent No.1, by the said Annexure-A has called upon the petitioner to refund purported excess amount of Rs.10.45 lakhs within one



week from the date of receipt of the communication. He submits no reason is forthcoming as to the basis on which the said amount is arrived at.

4. There is considerable force in the submission made by counsel for the petitioner. From a bare perusal of contents of Annexure-A, it is not clear if it refers to non-COVID treatment enlisted in the package. There is also no clarity as to the basis on which Respondent No.2 has arrived at the figure of Rs.10,45,000/- to be refunded.

5. In the light of the above, and the material now placed on record and in view of the submission being made by the learned counsel for the petitioner, this Court deems it appropriate that matter be relegated to respondent No.2 to reconsider the matter by providing an opportunity to the petitioner and pass appropriate order taking into consideration whether the non-COVID treatment provided by the petitioner as per Annexure-E to respondent No.3 is enlisted in the list of benefit package of Ayushman Bharat Arogya now furnished by memo dated 24.03.2026. Respondent No.2 shall also provide details as to the basis on which it has arrived at the calculation



of Rs.10,45,000/- to be refunded by the petitioner. The petitioner is at liberty to submit its response/documents, if any, and respondent No.2, after providing opportunity to petitioner as well as respondent No.3, pass appropriate order within an outer limit of 60 days from the date of receipt of certified copy of this order. All contentions are kept open.

6. The writ petition is accordingly **disposed of**.

**Sd/-
(M.G.S. KAMAL)
JUDGE**

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List No.: 1 SI No.: 34