

PARIPOORNA MEDICLAIM AYUSH BIMA

A Well-Intentioned Scheme That Exposes the Collapse of CGHS

The Department of Financial Services has recently issued a circular announcing a new optional health insurance scheme called “**Paripoorna Mediclaim Ayush Bima**” for Central Government Health Scheme (CGHS) beneficiaries. The scheme promises cashless hospitalisation, insurance cover of ₹10 lakh or ₹20 lakh, pre- and post-hospitalisation benefits, coverage for modern treatments and AYUSH therapies, and even no-claim bonuses.

At first glance, this appears to be a progressive step. But a closer examination reveals that this scheme does not solve the real problem. In fact, it exposes a deeper and more disturbing reality — **that CGHS in its present form is no longer capable of delivering truly cashless healthcare, and instead of fixing it, the Government is quietly shifting responsibility onto beneficiaries.**

Why This Scheme Exists at All

Private hospitals today charge several times more than CGHS package rates. As a result, hospitals demand advances, take undertakings from patients, and delay discharge. CGHS reimburses only limited amounts, leaving pensioners and employees to pay large sums from their own pockets.

Instead of revising CGHS rates or enforcing strict compliance, the Government has chosen to introduce insurance as a “top-up”. This is what Paripoorna Mediclaim actually is — **an insurance cover meant to bridge the gap between CGHS payments and actual hospital bills.**

That is why it is restricted only to CGHS beneficiaries and is tied to CGHS payments. It is not a general health insurance plan. It is a **patch to a failing system.**

CGHS Is Not Charity – It Is Pre-Paid Healthcare

Every Central Government employee pays CGHS contribution throughout service, often up to ₹1,000 per month. Over 30 years this comes to more than ₹3.6 lakh. At retirement, a lump-sum amount is again paid for lifelong CGHS coverage for self and spouse.

This was supposed to ensure one thing: **assured medical care in old age.**

Therefore, asking a 70-year-old pensioner to now buy insurance is nothing but **double charging for the same promise.**

The Insurance Illusion

For young employees, health insurance is cheap. But for senior citizens with diabetes, heart disease, blood pressure, asthma or arthritis — which covers most CGHS pensioners — insurance becomes extremely expensive.

A 70-year-old with common age-related illnesses will typically pay **₹40,000 to ₹1 lakh per year** for a ₹10-lakh cover. His wife, also of similar age, will require a separate premium of similar amount. So a retired couple may have to pay **₹80,000 to ₹1.5 lakh per year** just for insurance.

And even after paying this, they must bear **30% or 50% of every hospital bill** under this scheme.

This is not social security. This is financial risk transfer.

Serving Employees Are Also Paying Twice

In CGHS cities, Government servants are compulsorily enrolled in CGHS. They pay up to ₹12,000 per year as CGHS contribution.

Ironically, for the same amount, a young employee could buy **₹1 crore of private health insurance** in the open market. Yet he is forced to stay in CGHS — and now told to buy insurance on top of it.

This raises a fundamental question:

If CGHS is not enough, why is it compulsory?

Pensioners Are Hit Even Harder

CGHS pensioners do not receive Fixed Medical Allowance (FMA). They have already paid for CGHS during service and at retirement. Yet they are expected to buy expensive insurance in old age if they want real financial protection.

This effectively turns CGHS into a **subscription without guarantee**.

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A Better Model Exists

If CGHS has become unviable due to rising medical costs, there is a far more rational alternative:

The Government could close down CGHS infrastructure and instead:

- Pay a fixed premium per employee to an insurer
- Let insurance companies empanel hospitals
- Ensure real cashless treatment
- Even at present OPD is for n sake. For Listed medicines prescribed by HCO beneficiaries may be allowed to purchase from open market and submit MRC and CGHS can pay as per rate list of CGHS listed medicines.

This would eliminate:

- CGHS bureaucracy
- Delays
- Arbitrary reimbursements

And provide genuine, modern healthcare coverage.

But instead of reforming or replacing CGHS, the Government is doing the worst of both worlds — keeping CGHS and forcing beneficiaries to insure themselves.

Conclusion

Paripoorna Mediclaim Ayush Bima is not a solution. It is a confession that **CGHS has failed to keep pace with medical reality**. By shifting the burden onto employees and pensioners, especially the elderly, the Government is retreating from its responsibility. Healthcare for retired public servants was never meant to be a commercial gamble. It was meant to be a guarantee.

Until CGHS is either properly strengthened or honestly replaced, no amount of optional insurance schemes will bring peace of mind to its beneficiaries.

Written by

Chandra Kant Bapat

National Coordinator CBWAI