



Date of registration: 21.10.2021
Date of order: 20.10.2023

**BEFORE THE DISTRICT CONSUMERS DISPUTES REDRESSAL
COMMISSION-I, VISAKHAPATNAM : AP**

**PRESENT: Smt.Dr.Gudla Tanuja, B.Com., M.A (IRSA), LL.M., Ph.D(Law),
President**

**Sri Varri Krishna Murthy M.A., M.B.A., A.I.I.I.,
(Associateship in Insurance Institute of India)
Male Member**

Friday, the 20th day of October, 2023

Consumer Complaint No: 239/2021

Between:

Dangeti Vijaya, W/o D.N.S.Guptha, Hindu, aged 63 years, retired as Information and Library Assistant in the Indian navy, Naval Base, Visakhapatnam, r/at D.No.29-2-28/2, SBI Colony, Prakasaraopeta, Visakhapatnam-2.

... Complainant

And:

- 1) Apollo Hospitals, a Unit of Apollo Hospitals Enterprise Ltd., at Visakhapatnam, rep by Chief Operating Officer, health City, Chinagadili, Visakhapatnam.
- 2) Government of India (Union of India), Ministry of health & Family Welfare, Represented by its Directorate General of Central Government Health Services, CGHS-III, Nirman Bhavan, New Delhi-110011.
- 3) Government of India (Union of India), Ministry of Health & Family Welfare, represented by its Directorate General of Central Government Health Services, O/o the Additional Director, CGHS, Begumpet, Hyderabad-500016.

...Opposite Parties

This case came for final hearing on 09.10.2023 in the presence of Sri D.N.S.Gupta, Advocate for Complainant and of Sri C.S.Sekhar, Advocate for Opposite Party No.1, Sri S.Sreerama Murthy, Advocate for Opposite Parties 2&3 and having stood over till this date, the Commission delivered the following:

: O R D E R :

(Per Smt.Dr.Gudla Tanuja, President on behalf of the Bench)

1. The Complaint filed under Section 35 of C.P.Act praying this Commission to direct the Opposite Parties to pay Rs.5,88,793/- for compensation of Rs.10,00,000/- and Rs.10,000/- towards costs. Brief facts of the case deduced from the Complaint are as follows:
2. The Complainant worked as Gazetted Officer under OP-2 and retired from service. The Complainant being employee of OP-2 entitled for the terminal benefits besides privilege of using medical facility to herself, her husband. OP-2 issued health cards bearing Nos.231863/P by virtue of which she is entitled for

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cashless treatment at OP-1's hospital. While so on 27.10.2019 at 8.50pm met with fire accident. Immediately she was taken to OP-1's hospital. The staff of OP-1's hospital after giving first aid advised the complainant to get special treatment for burn injuries which requires special equipment. Accordingly, the Complainant admitted in OP-1's hospital on 28.10.2019 in intensive care unit depositing an amount of Rs.70,000/- as initial amount. In spite of the intimation that she is beneficiary under CGHS, OP-1 collected the said amount and commenced treatment after delay of 2 days and discharged on 30.11.2019 collecting an amount of Rs.15,82,895/- promising that she have a right to recover the said amount from Opposite Parties 2 & 3. After discharge from the hospital she made a request to OP-2 for refund of the amount incurred by her in OP-1's hospital. OP-2 after making necessary enquires with OP-1 paid an amount of Rs.9,94,102/- out of Rs.15,82,894/- by way of cheque after long delay. It is further contended that OP-2 after paying amount to the Complainant served show-cause notice calling for explanation, but the further proceedings not made known to her and as a result of issuance of show-cause notice OP-1 has deliberately violated the terms of the agreement entered into between the OP-1 & OP-2 and as OP-2 has not redressed the grievance of the Complainant, Opposite Parties 1 & 3 are jointly and severally liable to pay the amounts claimed in the Complaint. OP-1 has collected more than the amounts agreed between Opposite Parties 1 & 2 violating the terms of the agreement. The conduct of OP-1 is nothing but unlawful enrichment by not following the rates prescribed and agreed by it with Opposite Parties 2 & 3 and as such there is a deficiency of service as Opposite Parties 2 & 3 could not recover the excess amount from OP-1 they are also liable jointly and severally along with OP-1 and hence approached the Commission seeking redress.

3. OP-1 filed counter denying the allegations made in the Complaint inter alia contending that the Complaint is not maintainable as the Complainant committed breach of fundamental obligation in disclosing that the Complainant is a beneficiary of CGHS nor submitted authorisation letter issued by the Chief Medical Officer of the concerned CGHS dispensary or the production of ID card which is mandatory as per the agreement entered with OP-2 dated 7.11.2017 valid till 6.11.2019. OP-2 provided treatment in good faith and there is no wilful deficiency on their part. There was no reason whatsoever in not extending the credit facilities except to the fact that the Complainant did not disclose about her entitlement and paid all the amounts for the treatment given to her without any demur. As such the Complainant having failed to record any

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demur at relevant point of time cannot turn around and cast aspersions against OP-1. If the amounts have been disallowed by the Opposite Parties 2 & 3 the Complainant has to resolve the same with Opposite Parties 2 & 3 and OP-1 has no role in settlement of the claim made by the Complainant with Opposite Parties 2 & 3. The amount that was deducted by Opposite Parties 2 & 3 contains non-admissible items like toiletries, sanitary napkins and other dietary supplements as such the Complaint against OP-1 is misconceived and cannot be countenance either on law or on facts. Hence prayed for dismissal.

4. OP-3 filed Counter/Written version which was adopted by OP-2 inter alia contending that the Complainant who have taken measures to set the treatment done on credit. The matter was brought to the notice of OP-2 only after submission of medical claims. The claim was processed as per the CGHS tariff and the admissible amount was reimbursed to the Complainant. Opposite Parties 2 & 3 has no role in the excess charges collected by OP-1. As the OP-1 failed to provide treatment to the complainant in terms of the agreement entered with OP-1 after issuing show cause notice removed OP-1 from the CGHS empanelled list of hospitals for violating the terms of the agreement. There is no deficiency of service on the part of Opposite Parties 2 & 3 and as such prayed to dismissal of the claim against Opposite Parties 2 & 3.

5. During the course of enquiry the Complainant filed Evidence Affidavit and got marked Exs.A1 to A14. On behalf of OP-1 Dr.Narendra Bendi, Medical Supdt filed Evidence Affidavit and on behalf of OP-3 Dr.L.Prabhakara Rao, Addl Director, CGHS filed Evidence Affidavit and no documents are marked on behalf of Opposite Parties. However produce the agreement and other related documents in response of the notice issued in IA 341/23. Both parties filed Written Arguments and Addl Written Arguments reiterating their versions. Heard both sides.

6. Based on the rival contentions, the points that would arise for consideration are as follows:

- 1) Whether there is any deficiency of service on part of the Opposite Parties?
- 2) Whether the Complainant is entitled for the reliefs claimed in the Complaint ?
- 3) To what relief?

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7. Perused the record. It is evident from Ex.A1 that the Complainant approached OP-1's hospital on 27.10.2019 with burn injuries said to have received while burning crackers. On the next day she was admitted as inpatient and underwent treatment from 28.10.2019 to 30.11.2019. The OP-1 collected Rs.15,82,895/- from the Complainant for providing treatment during the said period under Exs.A2 & A3. After discharge from the hospital she raised claim with OP-2 for reimbursement of the amount incurred for the treatment, she being beneficiary under CGHS scheme offered by Opposite Parties 2 & 3. The acknowledgement issued by the OP-2 got marked as Ex.A4. The appropriate authority after evaluating the claim made by the Complainant, approved for reimbursement to the tune of Rs.9,94,102/-. The approval letter got marked as Ex.A5. As the OP-1 authorities failed to provide treatment to the Complainant on credit basis in terms of the contract entered in between Opposite Parties 1 & 3, Opposite Parties 2 & 3 issued show cause notice to OP-1 calling explanation as to why they have not extended credit facilities while providing treatment to the Complainant. The show cause notice was marked as Ex.A6. In response to the Show cause notice OP-1 offered explanation dt.12.8.2020 informing that either the Complainant or her attendants did not disclose that they are CGHS beneficiaries, hence treated as per hospital protocol. Since the Ops could not provide treatment to the Complainant on credit basis in terms of CGHS scheme and collected Rs.15,82,894/- and out of which Rs.9,94,102/- alone was reimbursed, the complainant got issued Legal Notice under Ex.A10. The notices were served on the OPs as could be seen from track reports. In response to the notice OP-1 sent a reply under Ex.A12 reiterating their stand. Opposite Parties 2 & 3 responded under Ex.A14 forwarding the copy of the reply notice making their stand clear that they are not going to comply with the terms of the notice. Aggrieved by the actions of the Opposite Party, the Complainant approached this commission seeking redress.

8. On the other hand OP-1's contention is that the complainant has not disclosed that she is beneficiary under CGHS scheme nor submitted authorisation letter issued by Chief Medical Officer of CGHS dispensary which is necessary in the case of pensioner. The Complainant paid the amount to the treatment given to her without any protest. The amounts spent for treatment were also reimbursed by OP-3 to the extent of eligibility. Simply because Opposite Parties 2 & 3 has not allowed the part of the claim, it is nothing to do with OP-1. The Opposite Parties 2 & 3 might have deducted the amount towards non admissible items like sanitary napkins, dietary supplements etc

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and the Complainant is wholly misconceived and there is no deficiency of service on part of OP-1 and hence prayed for dismissal of the Claim against OP-1.

9. Opposite Parties 2 & 3 also resisted the claim on similar lines and when OP-2 learnt that OP-1 committed breach of the agreement entered with OP-3 a show cause notice was issued and the claim made by the Complainant was reimbursed by them to the extent of eligibility and there is no deficiency on their part. Hence prayed for dismissal the claim against Opposite Parties 2 & 3.

10. The Government of India introduced CGHS scheme with an intention to provide comprehensive medical care facilities to the Central Govt employees/pensioners. As per the said scheme the beneficiary can avail cash less medical facilities in any of the panel hospitals. For convenience of the employees, the government has empanelled renowned hospitals in the country as shown in the list. One among them is the OP-1. It is admitted fact that President of India acting through Additional Director, CGHS, Ministry of Health and Family Welfare entered into an agreement with OP-1 on 7.11.2017 with is valid for a period of two years. In terms of the agreement OP-1 hospital has to provide treatment/diagnostic facilities to the CGHS beneficiaries at the rates fixed by the organisation. In the case of pensioners under CGHS scheme the health care centres shall provide treatment on credit basis. It is borne out by the record that OP-1 entered into agreement dt.7.11.2017 with OP-3 agreeing to provide treatment facilities and diagnostic facilities to the beneficiaries under CGHS in Visakhapatnam. OP-1 provided emergency treatment to the Complainant in their hospital for the accidental burns from 27.10.2019 to 30.11.2019. OP-1 collected Rs.15,82,894/- from the Complainant towards charges. As on the date of commencing of the treatment, the agreement entered with OP-3 is in force. Yet OP-1 collected the amount surpassing the terms of the agreement when the complainant has not received the treatment on credit as per her entitlement, after her discharge she lodged claim with OP-2 for reimbursement of the amount incurred by her. Opposite Parties 2 & 3 instead of reimbursing entire claim going by the bills issued by OP-1, allowed part of the claim without assigning the reason. When the Complainant could not get the amount incurred, naturally she opted for legal path to redress her grievance by issuing legal notice to all the Opposite Parties and approached this Commission seeking reimbursement of the remaining amount, reliefs etc.

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11. The OP-1 vehemently contended that had the Complainant disclosed her entitlement for treatment by producing valid ID card or letter from the CMO, CGHS Dispensary, OP-1 authorities might have provided treatment on credit, in terms of the impugned agreement. Since she did not disclose her identity, there is no possibility for implementing the terms of the agreement which cannot be termed as deficiency of service. Similarly Opposite Parties 2 & 3 contended that they have reimbursed the claim made by the Complainant as per the rates fixed under CGHS scheme. Therefore their services also cannot be construed as deficient in nature. Even according to the admissions made by OP-1 a sum of Rs.15,82,894/- was charged from the complainant for providing treatment for accidental burns. Had the OP-1 provide the said treatment to the Complainant on credit basis in terms of the agreement subsisting between them, OP-1 would have charged Rs.9,94,102/- which was reimbursed by OP-2 to the complainant, since the rates are prefixed between OP-1 & OP-3. So the amount that was collected over and above Rs.9,94,102/- is applicable to the general patients as per the medical protocol as contended by OP-1..

12. Indisputably OP-1 collected the charges of Rs.15,82,894/- from the Complainant towards treatment charges stated to be applicable to general patients as per Medical protocol. By then OP-1 does not know that the Complainant was a beneficiary under CGHS as contended. OP-1 being one of the panel hospital under CGHS should have returned the amounts to the Complainant collected over & above the prefixed charges in terms of the agreement entered with OP-3. Since OP-2 reimbursed the claim made by the Complainant based on the medical bills issued by OP-1. They have determined that out of Rs.15,82,894/- charged by OP-1, Rs.9,94,102/- is eligible as per the prefixed rates. OP-2 issued notice to OP-1, on receipt of representation from Complainant. A legal notice was also issued to OP-1 by Complainant claiming refund of excess amount of Rs.5,88,793/- collected from Complainant in violating of the terms of the agreement. The OP-1 being panel hospital is bound to provide treatment to the beneficiary (Complainant) on credit as per agreement, failure to adhere the terms of the agreement and return the amounts collected over and above the prefixed rates from the Complainant amounts to deficiency in service.

13. Consequently the OP-1 has to return Rs.5,88,793/- to the Complainant with interest as charged by the nationalised banks. It is relevant to mention here that not providing treatment on credit basis and charging excess amounts

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from the Complainant definitely cause mental agony for which she deserves reasonable amount as compensation.

We answered the points accordingly.

14. In the result, the Complaint is allowed in part directing the 1st Opposite Party to pay Rs.5,88,793/- (Rupees Five lakhs eighty eight seven hundred and ninety three only) with interest @ 7.5% p.a. from the date of Complaint i.e. 03.09.2021 till the date of realisation and further directed to pay Rs.25,000/- (Rupees Twenty five thousand only) towards compensation for mental agony and Rs.10,000/- (Rupees Ten thousand only) towards costs.

Time for compliance is one month from the date of receipt of this Order.

The claim against 2nd and 3rd Opposite Parties is dismissed.

Dictated to the Shorthand Writer, transcribed by her, corrected and pronounced by us in the open Commission on this the 20th day of October, 2023.


Male Member


President

APPENDIX OF EVIDENCE

Exhibits Marked for the Complainant:

Doc.No.	Date	Description	Remarks
Ex.A1	27.10.2019	Admission sheet issued by Care Hospital, Ramnagar, Visakhapatnam	Original
Ex.A2	28.10.2019	Admission sheet in Apollo Hospital, Health city, Chinagadili, Visakhapatnam	True copy
Ex.A3	30.11.2019	Discharge Certificate along with medical bills of Apollo Hospital, health city, Chinagadili, Visakhapatnam	True copy
Ex.A4	07.12.2019	Acknowledgement of Receipt of Reimbursement claim made by Govt of India, Ministry of Health & Family Welfare rep by its Directorate General of Central Government Health Services, O/o the Addl Director, CGHS, Begumpet, Hyderabad-500016	True copy
Ex.A5	02.07.2020	Proceedings issued by the Government of India, Ministry of Health & Family Welfare, represented by its Directorate General of Central Govt Health Services, CGHS-III, Nirman Bhavan, New Delhi-110011 to Govt of India, Ministry of Health & Family Welfare, rep by its Directorate General of Central Government Health Services, O/o the Addl Director, CGHS, Begumpet, Hyderabad-500016.	True copy

Ex.A6	12.08.2020	Showcause notice issued by the Govt of India, Ministry of Health & Family Welfare, rep by its Directorate General of Central Government Health Services, O/o the Additional Director, CGHS, Begumpet, Hyderabad-500 016 to Apollo Hospitals, a Unit of Apollo Hospitals Enterprise Ltd., at Visakhapatnam rep by Chief Operating Officer, Health City, Chinnagadili, Visakhapatnam-530040.	Original
Ex.A7	--	Copy of Health card	True copy
Ex.A8	06.08.2020	Letter by OP-3 to Apollo Hospitals, Secunderabad against Complaint of Shobha Ramdas	True copy
Ex.A9	18.08.2020	Letter by OP-1 to OP-3	True copy
Ex.A10	17.10.2020	Notice issued by the Complainant to the OP-1 along with acknowledgement and Track Record of Postal authorities	Office copy
Ex.A11	17.10.2020	Notice issued by the complainant to the OP-2 and OP-3 along with Track Record of Postal Authorities	Office copy
Ex.A12	10.11.2020	Reply notice issued by OP-1 along with Bunch of Deposit Receipts	Original
Ex.A13	Nov. 2020	Letter issued by OP-2 to Addl Director, Hyderabad (Copy to Advocate of the Complainant)	True copy
Ex.A14	07.12.2020	Letter to OP-3 to the Complainant	Original

Exhibits Marked for the Opposite Parties:

-NIL-


Male Member


President