

CIRCULAR NO. 95 /2019

DATE : 06.07.2020

TO,  
ALL MEMBERS

**REIMBURSEMENT OF MEDICAL EXPENSES – COVID-19**  
**SETTLEMENT OF CLAIMS BY INSURANCE COMPANIES**

We reproduce hereunder the text of the **AISBOF Circular No. 95** dated 06.07.2019, the contents of which are self-explicit.

*With warm greetings,*

**(Ajit Kumar Mishra)**  
**GENERAL SECRETARY**

OUR UNITY : ZINDABA D-ZINDABA D  
S.B.I.O.A. : ZINDABA D-ZINDABA D

**TEXT**

**REIMBURSEMENT OF MEDICAL EXPENSES – COVID-19**  
**SETTLEMENT OF CLAIMS BY INSURANCE COMPANIES**

We reproduce hereunder the text of AIBOC Circular No.2020/ 52 dated 06/07/2020 contents of which are self-explanatory for information of the members.



**(Soumya Datta)**  
**General Secretary**

**REIMBURSEMENT OF MEDICAL EXPENSES – COVID-19**  
**SETTLEMENT OF CLAIMS BY INSURANCE COMPANIES**

We have sent a communiqué to the CEO of IBA today vide our letter no. AIBOC/2020/28 on the captioned subject. Copy of the letter has also been sent to the MD&CEOs of all member banks. Text of the communication is appended.

With greetings,  
Sd/-

**(Soumya Datta)**  
**General Secretary**

**Text of Letter No. AIBOC/2020/28 dated 06.07.2020**

Ref No. AIBOC/2020/28

Date: 06.07.2020

The CEO  
Indian Banks' Association  
Head Office  
World Trade Centre Complex  
Cuff Parade  
Mumbai – 400 005

Dear Sir,

**REIMBURSEMENT OF MEDICAL EXPENSES – COVID-19**  
**SETTLEMENT OF CLAIMS BY INSURANCE COMPANIES**

Please refer our earlier communiqué AIBOC/2020/25 dated 11.06.2020 (copy enclosed), wherein we have requested for reimbursement of PPE kit from the insurance companies in Covid-19 treatment. You are aware that Covid-19 pandemic has caused havoc throughout the world resulting in death of over 5 lakh as on date. India too, is experiencing unprecedented situation as the number of daily cases is going up exponentially. We are poised to breach the 7 lakh mark by the end of today.

2. Sir, almost 25000 fresh cases are being reported everyday in our country resulting in acute shortage of bed in hospitals causing rampant refusal of admission making the situation worse. To cope up with the pressure on admission, the State Governments, Municipalities and also Hospital Authorities have started to shift the asymptomatic patients to quarantine centres/ isolation centres/ safe homes. This has helped to free up beds in the hospitals for those Covid-19 patients in need of intensive care/treatment.

3. To mitigate the pressure on the hospitals, Indian Council of Medical Research (ICMR) issued guide lines, that persons clinically categorized as having very mild or pre-symptomatic Covid-19 will have the option of home isolation provided they have the requisite facilities at their residence. A care giver should be available 24x7 and a communication link between the care giver and the hospital is a pre-requisite for the entire duration of home isolation and strictly follow the protocol given by ICMR.

4. Since the requisite facilities are not available in most of the cases at present socio-economic scenario, most of the bank employees are preferring hospitalization or admission to quarantine centres/ isolation centres/ safe homes for self-isolation as well as quarantine of the other family members and the fear of prognosis of the disease and to avoid spread to family members, immediate neighbourhood.

5. To reduce the pressure on the family and to give comfort to the Covid-19 patient Union Health Ministry has issued additional guidelines for isolation of doubtful or confirmed Covid-19 patients who can avail private facilities notified by appropriate Government authority as a place of isolation such as hotels, service apartment and lodges etc. on payment basis. The private facilities offered will ensure in-house availability of trained doctors and a nurse 24x7 to monitor the health of Covid -19 patients.

6. We have received reports across the country that many items of expenses incurred for Covid -19 treatment during hospitalization or home quarantine as per protocol of the government are being deducted from the bills by Insurance Companies due to lack of clarity in this regard which caused financial hardships to the banker-patients.

7. Sir, you are aware that the bankers are extending yeoman services everyday to the citizenry and the country as a whole during this unprecedented situation as banks have been declared as provider of essential services risking their own life and also their family members. They are going extra miles to maintain the life line of the country's economy. Bank men braved the virus and ensured smooth functioning of banks, provided liquidity and money to every section of society, when the other sections of society were called upon to stay at home. But the banks have been functioning with 100 per cent staff and officers with almost no relaxation in this regard during the period of lockdown.

8. In the light of the above, we request you to enlarge the scope of coverage under the medical insurance scheme so that Insurance Companies do not unduly deduct actual medical expenses pertaining to Covid-19 patients. In this regard, we give below the followings suggestions for improvement in the scheme:

- i) The testing charges incurred in line with Govt. defined protocols, should be reimbursed to the bank employees irrespective of whether post testing, it results in admission into hospital or placed under home quarantine. Expenditure incurred on account of "remote health monitoring system" being introduced by some of the hospitals in the country, where the patient is virtually monitored and treated accordingly may also be reimbursed. Testing charges incurred for the dependent family members when one member is tested positive have to be reimbursed since as per protocol, it is mandatory to undergo testing of the family members, even though they were not hospitalized.
- ii) Covid-19 related expenses during isolation:
- a) When a Covid-19 patient becomes stable after a few days of treatment in a hospital and shifted to quarantine facility outside the hospital for continuation of treatment, the period of stay in such quarantine centres should be treated at par with the hospitalization and medical expenses incurred thereat should also be covered under the policy. In case, it is not paid / covered by Insurance Company, it should be borne by respective banks.
  - b) The insured person or the dependent family members if tested positive and choose to avail facilities offered by hotels, service apartments or lodges etc. notified by appropriate Govt. authority as the place of isolation on payment basis, such expenses should be treated at par with hospitalization expenses for the treatment of Covid-19 patients and covered under the policy or borne by the respective banks uniformly.
  - c) The insured person or dependent family members if they are clinically diagnosed as very mild/ asymptomatic case by the Medical Officer, chose to undergo home isolation, the expenses incurred for self and care giver for the entire period of isolation or for the period of 14 days whichever is less have to be covered under policy under domiciliary treatment without hospitalization should be paid, without any ceiling, up to the sum insured.
  - d) If the claim amount exceeds the sum insured and the corporate buffer is also exhausted, the excess claim over sum insured and subsequent claims, if any, by the member for the self and family have to be reimbursed by the bank and a suitable scheme has to be kept in place for hassle free reimbursement.

iii) Reimbursement of cost of PPE kit

Major expenses incurred during hospitalization for treatment of Covid-19 are the cost of PPE kit used by the hospitals and the reimbursement of the cost of PPE Kit should be covered under the policy. As of now, cases reported to us confirm that the same is being deducted from the bill amount by Insurer while paying hospitalization charges.

9. The novel coronavirus is several weeks away from peaks in the country as per prediction of the experts. Therefore, the bankers due to their customer centric service oriented job are acutely susceptible to contamination in the coming weeks resulting in more number of fresh cases among them.

In the above backdrop, we would request you to review the situation more sympathetically in the context of the gravity of the circumstances; else the brave heart bankers will be forced to face financial hardships due to deduction of items of expenses from medical bills by the Insurance companies on account of lack of clarity. We request your good office to consider our suggestions with a holistic and utilitarian approach and arrange to issue necessary instructions to all member banks and insurance companies which will help the bankers immensely.

**"Stay safe stay healthy"**

With regards,

Yours sincerely,

Sd/-

**(Soumya Datta)**  
**General Secretary**

Encls. : As above.

The Chairman  
Indian Banks' Association  
Head Office  
World Trade Centre Complex  
Cuff Parade  
Mumbai – 400 005

Dear Sir,

**COVID-19 AILMENT**  
**HOSPITALISATION: REIMBURSEMENT UNDER MEDICAL INSURANCE SCHEME**

You are aware that the novel Coronavirus pandemic has gripped the entire nation and the numbers are on an exponential growth. The bank employees and officers are frontline 'Corona Warriors' in the fight against the pandemic. Till date 11 bankers have laid down their lives in the line of duty and several others across the country have been infected. In this regard, it has come to our notice that the amount of reimbursement sanctioned by Insurance Company for Covid-19 treatment under Medical Insurance Scheme as reimbursement of the hospitalisation expenses is far less than what is being billed by the hospital. It appears that the Insurance Company is deducting all charges like cost of PPE kits etc. used for the treatment as non medical expenses.

02. In a recent incident, an officer of IOB at Chennai was admitted to a private hospital due to non availability of bed at government hospitals. The officer was charged Rs.4,77,723/- out of which the insurance company had sanctioned Rs.1,85,843/- only as reimbursement. The official, who was already in state of distress was forced to pay the balance amount of Rs.2,91,880/- from her own resources. On scrutiny of the sanction by the Insurance Company, it was observed that they had disallowed an amount of around Rs.2,50,000/- towards PPE Kit used for the treatment for two weeks. In fact, the official was forced to seek discharge and shift to a quarantine centre of State Government. This is not an isolated case; such cases are happening across the country.

03. Sir, in this regard we wish to bring to your kind attention that the Medical Insurance Scheme in lieu of Bank based reimbursement scheme had been implemented in pursuant to 10<sup>th</sup> Bipartite Settlement.

As per point No.4.10 of the Appendix I to the settlement, the excluded items for reimbursement are :-

"All non-medical expenses including convenience items for personal comfort such as charges for telephone, television, barber or beauty services, diet charge, baby food, cosmetics, tissue paper, diapers, sanitary pads, toiletry items and similar incidental expenses, unless and otherwise they are necessitated during the course of treatment".

04. Even the above exclusion clause does permit such expenses if the same are necessary for the treatment. While being so, the PPE Kit is an essential and necessary item for Covid-19 treatment and unfortunately the cost of the same is huge in the bill is not supposed to be disallowed if the claim is processed in tune with the above clause.

More so, as the onset of Covid-19 is a recent phenomenon and employees have not taken separate insurance cover, disallowing huge amount under the pretext of "Excluded items" should not to be passed on to employees.

05. As per Annexure IV to the settlement, the Medical Insurance Scheme was evolved to extend better coverage and full reimbursement of expenses connected with hospitalisation and medical treatment including domiciliary hospitalisation and domiciliary treatment. The scheme so evolved also specifies that the scheme shall be administered by the banks through a scheme worked out

between IBA/Banks and Insurance companies and officers/employees would in no way be directly bound by the terms and conditions of such scheme or arrangements.

While the guideline is so clear, we wish to bring to your kind attention and request you to issue an advisory to member banks to step in at this critical juncture and provide solace to employees, who are serving the nation in these trying times to provide essential service, while risking themselves and their family members.

06. We also urge upon your good office to initiate dialogue with Insurance Companies for issuing instructions to TPAs for reimbursement of entire portion of the expenditure incurred by employees especially for Covid-19 treatment or in the alternative, if management fails to get implemented the agreed clause from Insurance Company, the amount of disallowed portion may please be reimbursed by the respective Bank/s as bankers are extending yeoman service to customers at branches, braving all odds and with the risk of exposure to the dreaded virus.

Hence, we urge upon your good office to take a call on our reasoned suggestions and ensure that succour is provided to staff members by ensuring full reimbursement for hospitalisation expenses towards Covid-19 treatment without disallowing cost of essential items like PPE et al.

***Stay Healthy, Stay Safe***

With regards,

Yours sincerely,

Sd/-  
**(Soumya Datta)**  
**General Secretary**

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***A virus does not spread itself. It is we, who spread it.***

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