

# ALL INDIA BANK OFFICERS' CONFEDERATION

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Circular No. 2020/56

Date: 29.07.2020

To All Affiliates (Please Circulate)

Dear Comrade,

## PROBLEMS BEING FACED BY BANKERS IN CASE OF HOSPITALISATION FOLLOWING COVID-19 CONTAGION

We have sent a communiqué to the CEO of IBA today vide our letter no. AIBOC/2020/32 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,

(Soumya Datta)  
General Secretary

### Text of Letter No. AIBOC/2020/32 dated 29.07.2020

Ref No. AIBOC/2020/32

Date: 29.07.2020

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

Dear Sir,

## PROBLEMS BEING FACED BY BANKERS IN CASE OF HOSPITALISATION FOLLOWING COVID-19 CONTAGION

We invite reference to our earlier communiqués bearing nos. AIBOC/2020/25 dated 11.06.2020 and AIBOC/2020/28 dated 06.07.2020 (copy enclosed) highlighting the problems being faced by the bankers in reimbursement of full expenses on account of Hospitalization / Home quarantine / Safe Home etc. in Covid-19 treatment including cost of PPEs and other items incidental to the treatment of the disease.

01. Amidst the deepening crisis of Covid-19 pandemic, we have been receiving mails and telephonic calls from officers expressing grievances regarding admission issues in hospitals. Many designated hospitals particularly in Metros and Urban areas where most of the Covid-19 positive cases are being reported, have been refusing to admit the Covid-19 positive patients under the Cashless Scheme of Medical Insurance. Officers are being pressurised to deposit huge amounts as advance at the time of admission and as a result of this restrictive practice, bankers are forced to pay hefty amount of advance in order to get admission in those hospitals. The TPAs / Insurance Companies remain silent on this issue. In fact, the TPAs are refusing to reimburse the full charges of the hospitalisation treatment and bank employees and officers are forced to meet the expenses from their own resources causing financial hardship to them at this trying time. Even taking the advantage of huge rush in the hospitals, in case of hospitalisation owing to other diseases / ailments also, the hospital authorities are demanding huge amount of advance denying the terms of 'cashless facility' at network hospitals.

02. Sir, you will certainly appreciate that the bankers are extending yeoman service in this testing time and going extra miles to maintain the lifeline of the country's economy. Where the majority section of the society are being advised to stay at home, bankers are attending their duties against all odds and taking all risks of getting contaminated.

03. Keeping in view the above cited facts reflecting the untiring commitment of the bank officers / employees to the cause of the nation and the common man, we urge upon you to consider the following suggestions with an open mind:

a) The issues to be taken up with the insurance company (M/s. United India Insurance Co Ltd.) on the above irritants and have a thorough review of the whole issue and come out with suitable solutions so that no banker / dependent covered under the policy faces any inconvenience in getting admission in to any hospital either under 'cashless facility' or otherwise.

b) The insurance company may be requested to tune up the policy with particular reference to the increasing number of Covid-19 related hospitalisation cases and re-fix various entitlements and ceilings, keeping in view the cost of treatment prevailing in the country.

c) The bank managements may also be sensitised in a suitable manner so that wherever required the amount of advance to the hospitals be made by debit to Suspense Payment account in case of urgency as was being done earlier before the medical insurance scheme was implemented so as to obviate any delay in admission of the employees / officers or their dependents in the hospitals / care centres because prompt hospitalisation is the essence of saving life from the rapid spread of the Novel Coronavirus.

04. Moreover, considering the gravity of the situation in the backdrop of the rapid spread of the Coronavirus at almost all the places, resulting in more number of casualties among the bankers / their dependents, we would request you to review the whole matter and come out with certain specific measures such as alternate day banking, cluster approach in opening of bank branches, reduced business and working hours, reduced operational areas, arranging for transportation for attending office, providing / deploying / hiring adequate support staff / security personnel by the administration etc., which will provide definite relief and also much needed confidence to all the bankers who are now feeling despondent.

05. You are also requested to initiate steps for the introduction of a uniform compensation of Rs.50 lakh in case of any unfortunate death of a banker in sync with the instructions issued by the Central Government, some State Governments and a few banks so as to provide succour to the family of the deceased. We would further urge upon you to issue necessary directives to the CEOs / CMD of the PSBs for extending financial assistance on a lump sum basis, to those bankers who are forced to incur extra expenses on account of hospitalisation / home quarantine / safe home measure due to Covid-19 and also to those who are suffering every day on account of lack of proper transport facilities.

We fervently hope that you will kindly initiate the much needed measures as requested above, for the entire fraternity and also for boosting the present low morale of the bankers.

**“Stay Safe, Stay Healthy.”**

With regards,

Yours sincerely,

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

Enclosed: As above

**Text of the letter no. AIBOC/2020/25 dated 11.06.2020**

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**

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 following 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**