EP-43(06)/2016
FOOD CORPORATION OF INDIA
HEADQUARTERS
16-20, BARAKHAMBA LANE
NEW DELHI

30th December, 2016

(Circular No. EP-12-2016-23)

Subject: Introduction of FCI Post-Retirement Medical Scheme (PRMS) as part of superannuation benefits for Employees of the Food Corporation of India –Reg.

1. As per the recommendation of Board of Directors in its 377th meeting held on 28.9.2016 (item No. 49/2016),GOI, Ministry of Consumer Affairs, Food and Public Distribution, Department of Food and Public Distribution, New Delhi vide letter No. 16-1/2011-FC-1 dated 11.11.2016 has conveyed its approval to the FCI Post-Retirement Medical Scheme(PRMS) of the Corporation applicable to the Employees of the Corporation (Category I, II, III and IV) only in supersession of the Medical Scheme for Retired employees issued vide Circular No. 48/1999 dated 16.02.1999 as amended from time to time.

2. In respect of Departmental workers, the existing Medical Scheme and instructions issued vide Circular No. 48/1999 dated 16.02.1999 and as amended vide Circular No. EP-12-2012-13 dated 28.06.2012 and clarificatory circular No.EP-12-2013-03 dated 08.02.2013 shall continue to be applicable, as amended from time to time.

3. The FCI Post-Retirement Medical Scheme (PRMS) shall be effective from 01.04.2016.

4. A copy of the FCI Post-Retirement Medical Scheme (PRMS) is enclosed for wide circulation and implementation.

5. Accounting instruction for operation of the scheme like account head etc. shall be issued separately by Account Division of FCI, Hqrs.

Encl. As above.

30/12/16
(Ruchi Govil)
General Manager (PE)

Distribution:

As per standard mailing list.

FCI POST-RETIREMENT MEDICAL SCHEME (PRMS)

1. OBJECTIVE

1.1 Objective of the scheme is to extend Post-Retirement Medical benefits to the employees of Food Corporation of India who have rendered long valuable service to the Corporation and to their spouses and dependent disabled children as recommended by BOD and duly approved by the Government of India.

1.2 This Scheme shall be called "FCI Post-Retirement Medical Scheme (PRMS)", and shall be effective from 01.04.2016.

2. ELIGIBILITY

2.1 PRMS would be applicable to all employees (Category I, II, III and IV) of the Corporation who are members of the current employee funded Medical Health Scheme for Retirees and have rendered minimum service period of 15 years before their superannuation from the Corporation.

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2.2 The condition of superannuation from the Corporation will not apply in case of death of employee or becoming permanently disabled & incapacitated.

2.3 Any member who resigns from service would cease to be a member of the scheme and the contribution already made by such employee would not be refunded.

2.4 The scheme would not be applicable to employees who are on deputation to the Corporation.

3. MEMBERSHIP

3.1 All Category I, II III and IV employees who are existing members of the present medical scheme by default migrated as member of the FCI Post-Retirement Medical scheme (PRMS).

3.2 Where both husband and wife are/were employees of the Corporation, their membership to the scheme would be applicable through contribution by one of the member.

3.3 A token annual membership fee of Rs. 50 shall be collected from retired members.

4. EMPLOYEES CONTRIBUTION

4.1 The contribution of a member (or spouse in case of death of employee) should be equal to the last monthly basic pay and DA applicable on the date of

superannuation/death during service, subject to a minimum of Rs 10,000. This will be applicable to all members including employees inducted after 1.8.1999.

4.2 For members having more than 36 months service left, irrespective of the date of induction or category, monthly contribution @ Rs 100/- per month (or such other rates as revised from time to time) should be payable. Such monthly contribution should be adjustable against the final contribution of last month's basic pay and DA.

4.3 For employees under suspension, such monthly contribution should be recoverable in full from subsistence allowance.

4.4 Where an employee is on leave without pay or salary for any period is not disbursed for any reason, the arrears monthly contribution should be recovered from the immediate next salary disbursement.

4.5 For persons inducted on or after 1.8.1999, the monthly contributions already paid since 1999-2000 shall be adjusted against the final contribution payable.

4.6 No interest should be allowed to the member for the monthly contribution.

4.7 The final contribution should be payable in 36 monthly installments prior to the date of superannuation, subject to adjustment of monthly contribution already paid. Where recovery is not possible for any reasons, the same should be payable in lump sum.

4.8 Being a scheme under the defined contribution system the Contribution once paid, would not be refunded.

5. EMPLOYER'S CONTRIBUTION

5.1 The Corporation would contribute 3.83% of Basic Pay and DA of all existing employees (Category I, II, III and IV) on monthly basis with effect from 01.04.2016. Being a scheme under the defined contribution system, the Corporation shall have no further liability towards the scheme.

5.2 In case of any mismatch between inflow and outflow, the employee's contribution or the benefit would be suitably adjusted to ensure continuity of the fund. The employer's liability will be subject to DPE guidelines as revised from time to time.

6. BENEFITS

6.1 The members are eligible for reimbursement of indoor treatment for self, spouse and dependent disabled children as defined in this scheme at any hospital in India subject to the overall annual ceiling.

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6.2 For the purpose of this scheme, spouse shall mean the spouse as per the records of the Corporation, as on the date of retirement of member. Any other person, who acquires the status of spouse after the retirement of member, shall not be entitled to any benefit under the scheme.

6.3 When a member is having son or daughter suffering from any disability, the benefit under this scheme shall also be extended to such children irrespective of their age, as long as they are dependent on the member. For this purpose the term disability shall have the same meaning as defined in Section 2(i) of The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act 1995 (No. 01 of 1996). The disability shall be evidenced by a certificate obtained from a medical officer not below the rank of a Civil Surgeon setting out as far as possible, the exact mental or physical condition of the child. Such certificate shall need to be produced once in every 5 years.

6.4 The annual ceiling should be considered on the basis of financial year.

6.5 The members should also be eligible for reimbursement of outdoor treatment in India of specified prolonged diseases for self, spouse and disabled depended children upto a maximum ceiling of Rs 18000 per annum subject to production of certificate from a specialized doctor of Govt. Hospital/empanelled hospital/FCI Medical Officer for the specified diseases approved by the Board in its 347th meeting held on 12.6.2012 viz.

i. Heart ailments and FCU Hypertension
ii. Diabetes mellitus
iii. Paralysis / Cerebrovascular attack
iv. FUC Thyroid disorder
v. Kidney disorders
vi. Bronchial Asthama
vii. Cancer / Malignant Tumors
viii. Haemolytic Disorder
ix. Tuberculosis
x. Rheumatoid Arthritis & (OA) Osteo Arthritis
xi. Osteoporosis
xii. Thalassemia
xiii. Chronic Liver Disease

6.6 The ceiling for indoor (IPD) and outdoor (OPD) treatment shall be Rs. 1 lakh and Rs. 18000 respectively per financial year per member comprising of employees, spouse and dependent disabled children, to be considered separately without any linkage between the two.

6.7 Where no IPD assistance has been claimed from the fund by a member during one or more previous financial year(s), the following additional ceiling should be available to the member for IPD in a given financial year:

Situation	Additional Ceiling
Where no claim has been made during previous year	Rs 50,000
Where no claim has been made during previous 2 years	Rs 75,000
Where no claim has been made during previous 3 years	Rs 1,00,000
Where no claim has been made during previous 5 years	Rs 1,50,000
Where no claim has been made during previous 7 years	Rs 2,00,000

ILLUSTRATION

Following would be the ceiling of IPD treatment available to a member over the years who does not raise any claim under IPD in the preceding years. Once claims have been lodged during any given year, for the next year, the ceiling would be reset at the amount for Year I.

(Amt. in Rs.)

Year	Basic Ceiling	Addl. Ceiling	Total Ceiling
I	1,00,000	0	1,00,000
II	1,00,000	50,000	1,50,000
III	1,00,000	75,000	1,75,000
IV & V	1,00,000	1,00,000	2,00,000
VI & VII	1,00,000	1,50,000	2,50,000
VII Onwards	1,00,000	2,00,000	3,00,000

6.8 An additional special lifetime ceiling of Rs 4,00,000 will be applicable to a member for indoor treatment of self/spouse/dependent children (as specified in this scheme) for the following specified major diseases, provided the treatment is done at a Govt. hospital or at a FCI empanelled hospital or such other hospital of national repute as may be notified by CMD, FCI for this purpose :

(a) Bypass surgery of heart/angioplasty/valve replacement

(b) Pacemaker implant

(c) Neuro Surgery

(d) Kidney/renal/liver/bone-marrow/otherorgan transplant

(e) Joint replacement and surgery

(f) Pulmonary valvotomy/surgical treatment of lung

(h) Cancer

A member would be able to avail this option either at one go or on multiple occasions subject to the overall lifetime limit.

6.9 In addition, for exceptional cases of life-saving indoor treatments, irrespective of the disease, the Managing Director may grant special additional reimbursement upto a maximum of Rs 3,00,000 (over and above the limits specified at 6.6, 6.7 and 6.8 above) provided the treatment is done at a Govt. hospital or at a FCI empanelled hospital. Such cases be forwarded through the GM (Region) and ED(Zone) concerned alongwith specific recommendation. Such cases should also

have the recommendation of the Medical Officer of the Zone/Hqrs. This option would be available only after the limits specified at (6.6, 6.7 and 6.8 above) to the extent available have been utilized by the member.

6.10 A member may avail the limits specified at SI. (6.6, 6.7, 6.8 and 6.9) above concurrently for the same claim, if required, subject to fulfillment of relevant conditions.

6.11 For the purpose of reimbursement of both OPD and IPD treatment, the rate restrictions (CGHS/AIIMS etc.) as applicable to a serving employees at the time of incidence of expenditure will also be applicable to claims lodged under this scheme.

6.12 In case of CGHS rates, the higher rates applicable for NABH accredited hospitals would be allowed only if the treatment has been actually taken in NABH accredited hospital. However, treatment availed at Govt. Hospitals would be reimbursed at actual and treatment availed at FCI empanelled Hospitals would be reimbursed as per agreement of the hospital with FCI.

6.13 In order to protect the beneficiaries from the financial constraints, where the annual financial ceiling has been exhausted, an authorization letter may be issued by indicating NIL balance, with the direction that the hospital should give treatment on cash down basis to the patient at the agreed CGHS rates, so that the hospital shall not charge its own higher rates, if any. Appropriate clauses in this regard for honouring such authorization should also be incorporated while entering into empanelment agreement with such hospitals.

6.14 There will be no restriction to the number of days for IPD treatment as it depends upon the credit balance available in member's account.

6.15 Tax implication, if any, arising out of reimbursement should be borne by the member.

6.16 Treatment for the following will not be reimbursed and in case of any dispute in this regard, the decision of FCI Medical Officer should be treated as final and binding.

(a) Pregnancy and medical conditions arising out of pregnancy
(b) Cosmetic surgery and skin grafts except where necessary to save the life of patient
(c) Dental surgery
(d) Laser surgery for correction of eye-sight

6.17 The PRMS is a defined contribution scheme. Therefore, the benefits under the scheme are subject to financial viability of the scheme as reviewed from time to time and may be reduced or enhanced as and when deemed necessary by the Corporation in consultation with the recognised Union(s). Although efforts shall be made to bring about consensus with the Unions but it shall not be a mandatory condition for effecting

modification as the Management has to take decision in the larger interest of the serving and retired employees belonging to all Categories. The member shall have no legal right to claim higher benefits than those available under the scheme at the time of processing the bills. The decision of CMD on any dispute in this regard shall be final and binding.

6.18 The PRMS is applicable only to Category I, II III and IV employees of the Corporation whereas the Medical Health Scheme is applicable to the departmental labour. Hence, the existing Medical assistance Fund should be bifurcated and proportionate amount transferred to Medical Assistance Fund for labour which would continue to be guided by the terms of the earlier scheme.

7. ADMINISTRATION AND INTERNAL CONTROL

7.1 The member should have to register with a specific unit of the Corporation for the purpose of reimbursement. All claims should necessarily be lodged with such unit only.

7.2 In case of retiring persons, if such Unit is different from the last place of posting, then such request should be submitted to the last place of posting who should forward the request to the concerned unit.

7.3 The issuing medical identity cards to members will be regulated as per Hqrs. circular No-12-2005-37 dated 09.12.2005 and circular No-12-2006-11 dated 10.05.2006.

7.4 If the member subsequently desires to register with some other Unit, then the request for such change should be submitted to the original Unit where the member is registered. The concerned Unit should forward the request of the member to such other Unit alongwith the details of claims lodged by the member during the year as well as previous five financial years, or period since retirement (if less than five years). Once a request for change of registered Unit is received, no further claim should be accepted till the process of transfer of registration is complete.

7.5 Each FCI Unit should be required to maintain a Member's Register indicating the Name of Member, detail of beneficiaries covered, Date of Retirement, PAN No., CPF/GPF No., Designation and pay at the time of retirement and hospital room entitlement at the time of retirement.

7.6 The concerned Units of the Corporation should also maintain records showing member-wise, year-wise details of claims lodged and claims passed. They should also maintain details of the members who have not lodged any claims during one or more previous years.

7.7 In case member avails indoor treatment from FCI empaneled hospital, then claim will be lodged directly by the concerned hospital with the Corporation and the bill will be settled by the Corporation under direct payment system subject to the ceiling available with the respective member. Due record of the claim would also be

made in the member-wise records. Where the hospital has lodged the claim with a Unit other than the Unit in which the member is registered, the payment would be made after taking conformation from the Unit with which the member is registered. After making payment, the amount should be transferred through IOG (inter-office general advice) to the Unit with which the member is registered.

7.8 It should be the responsibility of the member to submit the claims within six months of the completion of treatment. Claims not submitted within six months would become void.

7.9 In case of OPD reimbursement, the validity of medical certificate, issued by FCI Medical Officer/Govt. Hospital/Specialised Doctor of empanelled hospital, certifying prolonged disease will be 3 years.

7.10 Where claims are required to be forwarded to Medical Officers as per instructions, it would be the responsibility of the Drawing and Disbursing Officer of the concerned office to forward the claim to the Medical Officer within 15 working days of the receipt of claim. Medical officer would be required to verify the claim within 30 working days from the date of receipt of the claim. The complete processing of the claim will be completed within 60 working days failing which concerned erring official/officer shall be liable for administrative action.

7.11 If the claim lodged by a member is found to be false, such member would be terminated and expelled from the scheme and debarred from availing benefit under the scheme without prejudice to the right of the Corporation to initiate appropriate legal action as deemed necessary in the facts and circumstances of the case for lodging and/or facilitating the false claim.

7.12 For serving employees, the cumulative monthly contribution recovered since 1999-2000 will be indicated in the Last Pay Certificate (LPC) whenever such employees are transferred.

7.13 The monitoring mechanism of the PRMS shall be as strong as possible and if required, the assistance of outside agencies may be taken for which the cost will be borne by the Fund.

8. FUND MANAGEMENT

8.1 The fund should continue to be invested in the Corporation.

8.2 The contributions generated from the members and provided by the Corporation should be credited to the fund.

8.3 The assistance provided should be debited to the fund.

8.4 The interest saved by the Corporation should be fully passed on to the fund. For this purpose, interest would continue to be calculated at the average effective

annualized cash credit rate on the average of the opening and closing balance (before interest) of the fund.

8.5 Interest would be credited to the fund at the closure of the financial year.

8.6 For the past years, interest should be re-calculated based on the above method and differential interest should be credited to the fund.

8.7 Separate accounting should be done for :

(a) Contribution received from existing/retiring employees
(b) Annual membership fees received from retired employees
(c) Contribution received from the Corporation
(d) Amount disbursed for IPD
(e) Amount disbursed for OPD
(f) Interest allowed

8.8 The fund position should be reflected in the Annual Report of the Corporationas an annexure/appendix/schedule etc. showing the following details:

i. Opening balance
ii. Contribution received from the members during the year
iii. Annual membership fees received
iv. Contribution received from the Corporation during the year
v. Amount disbursed as assistance for IPD during the year
vi. Amount disbursed as assistance for OPD during the year
vii. Interest credited
viii. Closing balance

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8.9 Review

Initially the fund position and the implementation of the scheme may be reviewed every year for a period of three years. Thereafter review may be done once in every three years.