

NDA's healthcare bonanza for retired industrial workers

Govt plans Rs15 lakh super specialty health insurance package to retired industrial workers from 1 April



Retired industrial workers and their spouses will be allowed to avail a maximum of Rs10 lakh annual benefit and Rs15 lakh lifetime benefit. Photo: Indranil Bhoumik/Mint

New Delhi: In a potential healthcare bonanza, the central government is proposing a Rs15 lakh super specialty health insurance package to all retired industrial workers beginning 1 April. At present retired workers find themselves having to dip into their savings because there are few health insurance products for senior citizens.

The plan, which will entail retired workers paying a minimum insurance premium, has the in-principle approval of the board of employee state insurance corporation (ESIC), an autonomous body of the labour ministry, according to two officials and as per documents reviewed by *Mint*.

ESIC is the autonomous arm of the labour ministry in charge of providing healthcare facility to industrial workers through its chain of dispensaries, hospitals and medical colleges across India.

“Currently the retired IPs (insured persons) are not eligible for SST (super specialty treatment). The requirement of SST increases with advancement of age... In the previous meeting ESIC... gave its in-

principle approval for providing super specialty treatment to retired insured persons,” said an internal document of the labour ministry-controlled ESIC.

As per the document, ESIC will allow retired industrial workers and their spouses to avail a maximum of Rs10 lakh together in a financial year for treatment and Rs15 lakh as lifetime benefit.

“Ceiling of expenditure on SST/All referrals to tie up hospitals in a financial year may be restricted to Rs10 lakh...an overall ceiling of Rs15 lakh may be fixed for SST in lifetime for both IP (insured person) and spouse,” the document said.

An insured industrial worker is one who contributes to the ESIC corpus every month from his salary. Under the ESIC Act, eligible employees contribute 1.75% of their salary (basic + allowances) and employers contribute 4.75% to the ESIC corpus every month. There are at least 20.3 million insured persons under the ESI scheme, of whom 2.9 million are women.

The ESIC collects nearly Rs15,000 crore a year and spends around Rs9,000 crore on providing healthcare services to industrial workers. With a surplus of nearly Rs6,000 crore per year, the social security body is unlikely to come up against a funding constraint.

Though the exact number of beneficiaries of the new move is yet to be ascertained, it could be substantial given that the ESIC is planning to give a one-time opportunity to existing retired industrial workers under its purview to join the new scheme along with the fresh retirees. Even if 5% of the 20.3 million industrial worker retire a year, the number will be sizable.

The move may partially help address the occupational health burden of industrial workers.

According to the World Health Organization, across the world occupational risks from injuries, noise, carcinogenic agents, airborne particles and ergonomic risks account for a substantial part of the burden of chronic diseases—37% of all cases of back pain, 16% of hearing loss, 13% of chronic obstructive pulmonary disease, 11% of asthma, 8% of injuries, 9% of lung cancer, 2% of leukemia and 8% of depression worldwide.

“In the last board meeting a few days back, the proposal was tabled in the meeting and after brainstorming we agreed in principle to go ahead. The argument was when people were young they contributed to ESIC for health facilities and when they are old and need real care,

then ESIC is not there to help. That's a course correction that needs to be done and the first step is quite positive," said Amarjeet Kaur, a board member of the ESIC and secretary of the All India Trade Union Congress.

Kaur said there will be a hike in the premium. The initial plan was to charge Rs6,000 per year or Rs500 per month for Rs10 lakh annual benefit but ESIC and the labour ministry's finance team feel the amount should be more.

As per the ESIC document, the finance department feels the premium should be Rs1,700 per month or Rs20,400 per year, but the ESIC management thinks this is too high an amount that may discourage people from joining the insurance scheme.

A spokesperson of the ESIC agreed. "We have taken a big step in giving in-principle approval, and the official announcement will be made after the financial details are worked out," the spokesperson said.