No. 22(1)/01/US(WE)/D(Res)
Government of India
Ministry of Defence

New Delhi, dated the 30 Dec, 2002

To
The Chief of the Army Staff
The Chief of the Navy Staff
The Chief of the Air Staff

Subject: EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME

1. I am directed to convey the sanction of the Government for a health care Scheme for Ex-Servicemen namely 'Ex-Servicemen Contributory Health Scheme (ECHS)'.

2. The Scheme would cater for medicare of all Ex-Servicemen in receipt of pension including disability pension and family pensioners, as also dependants to include wife/husband, legitimate children and wholly dependent parents. The Scheme will comprise as follows:-

(a) ECHS would be a contributory scheme. On retirement, every Service personnel will compulsorily become a member of ECHS by contributing his/her share and the Scheme would be applicable for life time. Similarly Ex-Servicemen who have already retired can become members by making a one time contribution. There would be no restriction on age or medical condition. The contribution will be according to the rates prescribed for CGHS pensioners as per Appendix-A attached.

(b) Retired personnel joining the scheme will forfeit the medical allowance of Rs. 100/- presently admissible to them and those who do not join the Scheme would continue getting Medical Allowance as hitherto. Such persons would not be entitled to any medical facility from Armed Forces Clinics/Hospitals or Polyclinics set up under the Scheme.
The Scheme would cater for medicare to the Ex-Servicemen by establishing new Polyclinics and Augmented Armed Forces Clinics at 227 stations spread across the country as per following details:

<table>
<thead>
<tr>
<th>No of Stations</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>104</td>
<td>List attached at Appendix-B</td>
</tr>
<tr>
<td>123</td>
<td>List attached at Appendix-C</td>
</tr>
</tbody>
</table>

(i) Augmented Armed Forces Clinics at Military Stations

(ii) New Armed Forces Polyclinics to be established at Non Military stations.

(d) The new Armed Forces Polyclinics and Augmented Armed Forces Clinics are proposed to be configured based on concentration of Ex-Servicemen population and facilities desired thereto. Various stations are configured into Type A,B,C and D as per details indicated at Appendices B & C.

(e) The stations where Ex-Servicemen population is less than 2,500, dependency on the new Armed Forces Polyclinics or Augmented Armed Forces Clinics will be provided. List of such Stations/Districts is listed at Appendix-D.

(f) The infrastructure, medical facilities and manpower to be provided at each type of Augmented Armed Forces Clinic and new Armed Forces Polyclinic would be as given at Appendices E & F attached respectively.

(g) Augmented Armed Forces Clinics

(i) Subject to load of authorised personnel, all facilities in Military/Naval/Air Force Hospitals in the same station or nearest or any other station to be utilised.

(ii) Subject to existing facilities and load, reference is permitted to be made for consultation, diagnostic tests and treatment to empanelled Medical Centres/Polyclinics/Hospitals/Nursing homes.

(iii) Additional requirement of medicines/drugs/expendables will be provided to Armed Forces Clinics/Hospitals through the Scheme. Facilities of Specialist Doctors will be contracted on as required basis.

(iv) A sum of Rs 4,900/- lakhs will be utilised for creation of infrastructure, as given in Appendix-E.

(v) A sum of Rs 5,200/- lakhs for the scheme to be fully implemented will be available annually for meeting expenses for the following :-

(aa) Water and electricity charges.
(ab) Installation of telephone and payment of monthly/bi-monthly bills.

(ac) Maintenance of building.

(ad) Running expenses and maintenance of ambulances and vehicles as augmentation.

(ae) Maintenance of medical equipment including annual maintenance contracts.

(af) Purchase of new and replacement medical equipment, ambulances and vehicles.

(ag) Medicines, drugs and consumables.

(ah) Salaries and allowances to staff employed to augment/create new facilities in military stations.

(ai) Any other expenditure required to run the establishment.

(aj) Expenditure on account of contingencies, etc.

(h) Armed Forces Polyclinics to be Established at Non-Military Stations

(i) A sum of Rs. 6,900/- lakhs will be utilised for creation of infrastructure, as given in Appendix-F. This includes the cost of land and cost of construction of buildings for the polyclinics at 123 non-military stations. Till such time the new buildings of the polyclinics are constructed, suitable accommodation for establishing these polyclinics will be rented.

(ii) The infrastructure will be created at the earliest but not later than 31st March, 2008.

(iii) Facilities of Specialist Doctors will be contracted on as required basis.

(iv) A sum of Rs. 9,775/- lakhs would be available annually for meeting expenses for the following :-

(aa) Property tax, where applicable, Water and electricity charges.

(ab) Installation of telephones and payment of monthly/bi-monthly bills.

(ac) Maintenance of buildings.
Running expenses and maintenance of ambulances and vehicles.

Maintenance of medical equipment including payments for annual maintenance contract.

Purchase of new and replacement medical equipment, ambulances and vehicles.

Medicines, drugs and consumables.

Salaries and all allowances.

Expenditure on account of contingencies, etc.

Any other expenditure required to run the establishment.

Estimated Expenditure Per Unit

Details of estimated expenditure per Augmented Armed Forces Clinic/Polyclinic are as under:

<table>
<thead>
<tr>
<th>Number of Clinics</th>
<th>Cost per Clinic (Rs in Lakhs)</th>
<th>Total (Rs in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Augmented Armed Forces Clinics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(aa) Capital Outlay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type A</td>
<td>11</td>
<td>131.00</td>
</tr>
<tr>
<td>Type B</td>
<td>13</td>
<td>80.00</td>
</tr>
<tr>
<td>Type C</td>
<td>28</td>
<td>34.00</td>
</tr>
<tr>
<td>Type D</td>
<td>52</td>
<td>28.00</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>4889.00</td>
</tr>
</tbody>
</table>

Or Rs 49.00 Crores

Revenue Outlay

<table>
<thead>
<tr>
<th>Type A</th>
<th>11</th>
<th>113.56</th>
<th>1249.16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type B</td>
<td>13</td>
<td>81.56</td>
<td>1060.28</td>
</tr>
<tr>
<td>Type C</td>
<td>28</td>
<td>46.24</td>
<td>1249.72</td>
</tr>
<tr>
<td>Type D</td>
<td>52</td>
<td>29.74</td>
<td>1546.48</td>
</tr>
<tr>
<td>-------</td>
<td>----</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td></td>
<td>5150.64</td>
</tr>
<tr>
<td>Or Rs 52.00 Crores</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(ii) **New Polyclinics**

(aa) **Capital Outlay**

<table>
<thead>
<tr>
<th>Type</th>
<th>6</th>
<th>166.48</th>
<th>998.88</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type A</td>
<td>23</td>
<td>105.06</td>
<td>2416.38</td>
</tr>
<tr>
<td>Type B</td>
<td>43</td>
<td>40.57</td>
<td>1744.51</td>
</tr>
<tr>
<td>Type C</td>
<td>51</td>
<td>34.21</td>
<td>1744.71</td>
</tr>
<tr>
<td>Total</td>
<td>123</td>
<td>998.88</td>
<td>6904.48</td>
</tr>
<tr>
<td>Or Rs 69.00 Crores</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(ab) **Revenue Outlay**

<table>
<thead>
<tr>
<th>Type A</th>
<th>06</th>
<th>189.00</th>
<th>1134.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type B</td>
<td>23</td>
<td>132.00</td>
<td>3036.00</td>
</tr>
<tr>
<td>Type C</td>
<td>43</td>
<td>74.00</td>
<td>3182.00</td>
</tr>
<tr>
<td>Type D</td>
<td>51</td>
<td>47.5</td>
<td>2422.50</td>
</tr>
<tr>
<td>Total</td>
<td>123</td>
<td>9774.50</td>
<td></td>
</tr>
<tr>
<td>Or Rs 97.75 Crores</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(j) **Reimbursement**

Free out-patient treatment will be provided to the members at Augmented Armed Forces Clinics and Armed Forces Polyclinics. Reimbursement will be provided to the patients or paid directly from where services are obtained from the empanelled Diagnostic Centres/Nursing Homes/Hospitals for the following :-

(i) Cost of medicines/drugs/consumables.
(ii) Diagnostic tests.
(iii) Consultation.
(iv) Hospitalisation.

(k) Details of the scheme and the modalities by which the reimbursement towards medical expenses incurred by ex-servicemen and their dependants will be operated will be worked out separately.
(l) In case of emergency, the beneficiary may report to the nearest Government hospital or nursing home/private hospital empanelled under the Scheme. The bill for expenditure incurred in such cases or dire life threatening medical emergency would be fully reimbursed by the Government. In case of accidents and trauma cases where time for rendering medical aid is crucial for life saving, an Ex-servicemen may go to any Nursing Home/Hospital. Ex-post facto sanction for reimbursement for such cases will be accorded by the Central Organisation Headquarters at Delhi.

(m) The Scheme will be implemented by a project organisation. This would comprise of a Headquarters located at Delhi and twelve Regional Centres. Detailed organisation, infrastructure required and manpower required to man the Headquarters and Regional Centres would be as per Appendix-G attached. Army, Navy and Air Force will provide manpower for these administrative organisations from within their existing resources.

3. Financial Outlay: Total financial outlay of the Scheme will be as under :-

<table>
<thead>
<tr>
<th>Capital</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rs in Crores)</td>
<td></td>
</tr>
<tr>
<td>Setting up of New Armed Forces Polyclinics</td>
<td>69.00</td>
</tr>
<tr>
<td>Augmentation of Military Hospitals</td>
<td>49.00</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>200.85</td>
</tr>
<tr>
<td>Cost of Administration</td>
<td>4.00</td>
</tr>
</tbody>
</table>

Total expenditure: 122.00 (One time) 354.50 (Per annum)

4. Year wise Break up of Expenditure: Service Hqrs should ensure that allocations made for Revenue expenditure and Reimbursement is fully utilised on yearly basis. As regards Capital expenditure, infrastructure for 104 Augmented Armed Forces Clinics will be created within four years after the Scheme is launched. In case of 123 Polyclinics, the infrastructure should be completed in five years as it involves procurement of land and construction of buildings ab-initio. Broad parameters for Capital expenditure are as under :-

<table>
<thead>
<tr>
<th>1st Yr</th>
<th>2nd Year</th>
<th>3rd Year</th>
<th>4th Year</th>
<th>5th Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augmented Armed Forces Clinics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(40%)</td>
<td>(40%)</td>
<td>(10%)</td>
<td>(10%)</td>
<td></td>
</tr>
</tbody>
</table>
(b) New Armed Forces Polyclinics (20%) (30%) (30%) (10%) (10%) 

5. The revenue allocations would be reviewed periodically to cater for increase in Ex-Servicemen population and accommodate inflationary trends.

6. The estimated expenditure of the Scheme as mentioned above will be debited to under-mentioned heads :-

(a) Capital Outlay -
   Major Head - 4076
   Sub Major Head - 01
   Minor Head - 103

(b) Revenue Outlay -
   Major Head - 2076
   Minor Head - 110
   Sub Minor Head - 110D

7. Contributions received from members will be credited to Major Head 0076 Minor Head 110, Sub Minor Head 110D.


Yours faithfully,

Sd/- (V.K. JAIN)
Under Secretary to the Government of India

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