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Sold To... Babu A.TAS /o Ahmed Khan
CEO Aarogya Sri Health Care Trust Hyd

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S. Krishna Murthy
S.V. No. 5/88, R.L. No. 03/2007
A. P. Secretariat,

AAROGYA SRI COMMUNITY HEALTH INSURANCE SCHEME FOR
THE BPL FAMILIES IN THE DISTRICTS OF ANANTAPUR,
MAHBOOBNAGAR AND SRIKAKULAM

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereafter called MOU) is executed at Hyderabad on this 8th day of March 2007 between the Government of Andhra Pradesh / Aarogya Sri Health Care Trust. (herein after called the

[Signature]

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[Signature]
8/3/07

GoAP / Trust and Party of the first part) represented by Chief Executive Officer, Aarogya Sri Health Care Trust, Room No.309, 3rd Floor, 'L' Block, A.P. Secretariat, Hyderabad – 500 022.

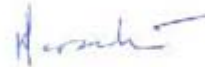
AND

Star Health and Allied Insurance Company Limited having its registered office at No. 1 New Tank Street, Valluvar Kottam High Road, Nungambakkam, Chennai – 600 034. (herein after called the Insurer and the Party of the second part.) represented by Chairman cum Managing Director

Whereas the GoAP has, after a due bidding process involving technical and financial evaluation, awarded the contract of insurance under the "Aarogya Sri Community Health Insurance Scheme" providing health care to Below the Poverty Line families belonging to the three Districts viz. Anantapur, Mahboobnagar and Srikakulam of the State of Andhra Pradesh, to the Insurer and the Party of the second part.

This agreement witnesseth as follows:

A tailor made master policy will be issued by the Insurer in favour of the GoAP / Trust covering the intended beneficiaries as described below:



1. BENEFICIARIES:

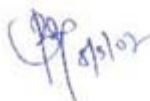
Families living Below the Poverty Line belonging to the three districts viz. Anantapur, Mahboobnagar & Srikakulam of Andhra Pradesh State. The beneficiaries would be identified through the white ration cards (BPL cards) issued by the Government and data furnished to the Insurer. The photograph / age indicated in the white ration cards (BPL cards) will be taken as the proof for determining the eligibility of the beneficiaries and also the identification for availing treatment under this scheme. The white card (BPL card) will be the Health Card.

Such of the white ration card (BPL card) holders who are covered for the specified diseases by other insurance schemes such as CGHS, ESIS, RTC'scheme, etc. shall not be eligible for any benefit under this scheme.

2. COVERAGE:

This is a package medical insurance scheme to cover the hospitalization for surgeries under cashless treatment in respect of the following systems and diseases covering the BPL families belonging to the Districts of Anantapur, Mahboobnagar and Srikakulam.

- i. Heart
- ii. Cancer
- iii. Neurosurgery
- iv. Renal



And surgical treatment for the following two conditions viz.,

- v. Burns
- vi. Poly trauma cases, not covered by the Motor Vehicles Act

The scheme would provide for cashless treatment to these patients who will be admitted in the Network Hospitals in case of surgical procedures connected with the systems / diseases/ conditions mentioned above.

3. SUM INSURED:

The sum Insured per family shall be Rs.1,50,000/- (Rupees One lac and fifty thousand only). The benefit will be on floater basis, i.e., the total reimbursement of Rs.1,50,000/- can be availed by either the individual or by the members of the family collectively.

An additional Sum not exceeding Rs.5,00,00,000/- (Rupees five Crores) shall also be provided as buffer to take care of the expenses, if it exceeds the original sum. i.e., Rs.1,50,000/- on one individual. In such cases only an amount up to Rs.50,000/- to that individual will be additionally considered.

4. DEFINITION OF FAMILY:

Family means the group of individuals as indicated in a white ration card (BPL card).



5. PAYMENT OF INSURANCE PREMIUM:

It is agreed that Government shall pay to the Insurer an amount of Rs.66,00,00,000/- (Rupees Sixty Six Crores only) Plus Service Tax as applicable, towards the entire annual premium . The payment shall be made in two installments of 50% each. The first installment will be paid before the commencement of insurance. The second installment will be paid either at the end of the six month period or when the claims ratio is nearing 120% of the premium paid whichever is earlier.

6. PERIOD OF INSURANCE:

The insurance coverage under the scheme shall be in force for a period of one year from the date of commencement of the policy (ie. from 00:00 hours of 01.04.2007 to midnight of 31.03.2008 or when the overall claim ratio reaches 120% of the actual premium paid whichever is earlier.

7. PROFIT SHARING AND STOP LOSS

All the benefits under the policy shall cease the moment the overall claims under this policy reaches 120% (one hundred and twenty percent) of the premium paid excluding Service Tax in respect of all the persons who are covered under the scheme. The overall claim will be arrived at after taking into account:



All expenses relating to the Bills paid & liable to be paid towards hospitals/service providers, medicines & implants purchased and all connected expenses for the treatment of the BPL families.


If there is a surplus after the claims experience on the premium (excluding Service Tax) at the end of the policy period, after providing 20% of the premium paid towards the Company's administrative cost, in the balance 80% after providing for claims payment and outstanding claims, 90% of the left over surplus will be refunded to the Government/Trust with in 30 days after the expiry of the policy period.

8. ADMINISTRATION OF THE SCHEME BY THE INSURER

For the effective and successful implementation of the scheme, the Insurer shall do the following and the Government / Trust shall render their support wherever required by the Insurance Company.

It would be the responsibility of the Insurer for Networking Hospitals in the State of Andhra Pradesh to give adequate facilities for the treatment of the patients when they present themselves.

The list of Surgeries and sub categories along with Package rates will be made available to the Trust. *The Trust will associate with the Insurance Company in this task.*



Procedure

(i) The contact point would be PHC and Government hospitals in the District, where Insurer will have a help desk known as Aarogya Sri Help Desk. The desk will be managed by a Arogya Sri Health Coordinator (AHC) to be appointed and paid by the Insurer.

(ii) Aarogya Sri Help Desk at PHC / Government Hospitals will refer patients on the recommendation of the PHC/Government Doctors to one of the Network Hospitals or hospital of the BPL family member's choice with in the network. At the Network Hospital Insurer will establish Aarogya Sri Assistance Counters and will facilitate the referred BPL family member to go through the tests and there after if needed for the surgical treatment.

White Ration card (BPL Card) holders can also directly approach Aarogya Sri Assistance Counters at the Network Hospital for examination and treatment

For treatment of poly-trauma and burns cases Insurer will set up the network of hospitals closer to the people preferably at the mandal level.

(iv) The Aarogya Sri Assistance Counters at the network hospitals will facilitate cashless transaction and formalities connected with discharge of patient and enable forwarding the bills for payment to the Hyderabad Zonal Office of Insurer.



(v) Notwithstanding whatever stated above, if a patient gets admitted directly in a network hospital and fulfills all the criteria for the benefits under the scheme his/her case will also be covered.

9. ASSISTANCE FROM THE GOVERNMENT

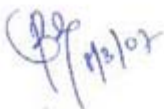
The Government will on their part render all possible assistance viz.

- i. To give all necessary support for organising sensitization programmes for the PHCs and Government Hospitals.
- ii. To extend necessary support in providing space and other support for locating Aarogya Sri Help Desks at PHCs/other Government Hospitals.

10. CLAIMS PROCEDURE

The beneficiaries would be identified by the white ration card (BPL card) at the PHC / Government Hospital level/ Aarogya Sri Assistance Counters in the network hospital. A self-declaration by the beneficiary / patient prior to hospitalization for the covered treatment that he does not belong to any of the excluded categories will be a prima-facie evidence of coverage. The BPL family member will be referred to Network Hospital on recommendation of the Doctors at these centers. The treatment will be cashless for all the covered procedures. Payment of the claims would be made directly to the hospital by the insurer. Aarogya Sri Assistance Counters will facilitate the payment to the hospital through Zonal Office. Payments will be made to the hospitals

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within 07 days after the receipt of all documents. The cost of various tests conducted on BPL family members who ultimately do not undergo surgery, will not be included in the insurance cost. However Insurer will ensure that such test are done free of cost to the patient.

11. RESPONSE TIME

Authorization shall be within 24 Hours and the settling of claims shall be done within 7days after receipt of documents by the Insurer.

Insurer's response for anything pertaining to the Aarogya Sri Scheme shall be immediate through:

- i. 24 hour call centre
- ii. Toll free line, exclusively for this Scheme.
- iii. Aarogya Sri Help Desks / Aarogya Sri Assistance Counters
- iv. District Coordinators who are nominated exclusively for this purpose.

12. PUBLICITY

Insurer shall give wide publicity to the scheme . The publicity will be through:

- i. Workshops and Camps
- ii. Pamphlets/posters/Display Boards/Banners



- iii. Theatre Slides
- iv. Publicity by Aarogya Sri Help Desk at the PHCs/ Aarogya Sri Assistance Counters at network hospitals.

Government will do their part through Radio & TV. The Website of Aarogya Sri will be maintained by the trust in association with the Insurer.

13. CAPACITY BUILDING

- i. Insurer would ensure that workshops and medical camps are organised in association with the network hospitals.
- ii. The help of NGOs/SHGs will be taken by the Aarogya Sri Help Desk/ Aarogya Sri Assistance Counters to spread awareness and guide the prospective patients to the network hospitals. The Insurer will organise this task.

14. JURISDICTION:

Any dispute arising out of this MOU shall be subject to the jurisdiction of Andhra Pradesh.

15. PENALTY CLAUSE:

On recommendation by the Central Committee, the Network Hospital shall be de-listed from the empanelment if it is found that guidelines of the Scheme are not followed by it repeatedly. The Insurer is also liable



for any deficiency in the service provided by the network hospital/service provider and in case of any delisting then Insurer shall find an alternative immediately.

16. INFORMATION FLOW:

The Insurer will ensure that the information flow takes place on an on-time basis. The Insurer shall in association with the trust use a state of the art dedicated internet based network for this purpose.

17. MIS

A detailed MIS shall be worked out separately between GoAP/Trust and the Insurer and will be subject to regular review.

18. RENEWAL

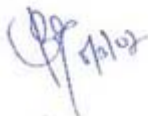
The policy will be renewed under the mutual consent of both the parties. The premium for renewal shall be agreed upon prior to the expiry of the first policy.

19. THE PRECEDENCE OF MOU

The MOU has precedence over standing policy document and other statements.

20. MODIFICATION OF MOU

The MOU may be modified as and when the need arises in mutual agreement between the Trust and Insurer.



21. MONITORING MECHANISM:

Regular review meetings on the performance/administration of the Scheme would be held between the GoAP/Trust and the Insurer at the District level and at the State Level. The composition of the monitoring committees shall be as follows:

District level:

Chairman: District Collector

- Members: 2) Project Director, DRDA
- 3) District Medical and Health Officer
(Member- Convenor)
 - 4) District Coordinator of Health Services (DCHS)
 - 5) District Coordinator of the Insurer
 - 6) Representative of Zilla Samakhya

State Level:

Chairman: Principal Secretary, HM & FW Department and Vice
Chairman of Aarogya Sri Health Care Trust.

- Members: 1) CEO, Aarogya Sri Health Care Trust (Convener)
- 2) State Coordinator/ Zonal Manager of the Insurer.
 - 3) Any member of the Trust Board
 - 4) Technical Committee member nominated by the Trust.



The Chairmen of the above committees may invite any non-official member in the three districts for the meetings. Periodical meetings shall be organized at both district and State level . The agenda and issues to be discussed would be mutually decided in advance. The minutes of the meeting at the district and state level will be drawn and a copy will be forwarded to Trust. The Insurer shall also put in place a mechanism of their own to monitor the scheme on a real time basis. Detailed reports on the progress of the scheme and issues if any emerging out of such meetings shall be reported to GoAP/Trust.

22. GRIEVANCE MECHANISM :

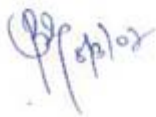
District Level Committee:

Committee chaired by District Collector with following members will form the grievance redressal cell at the district level. The decision by the committee is binding except when an appeal to the central committee at the state level is preferred.

Members of the Committee:

2. District Medical and Health Officer (DM & HO) (Member – Convenor)
3. District coordinator (DCHS)
4. Superintendent of District Hospital
5. Member from the Technical Committee(Nominated by the trust)
6. Representative from the Insurance firm


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Central Committee:

Committee chaired by Chief Executive Officer of the Trust will entertain all the appeals on the decisions taken by the District Committee. The decision taken by the committee will be final and binding on the both parties.

Members of the Committee:

2. Representative of the Trust
3. Technical Committee Member
4. Representative from the Insurance firm

A toll-free number will be made available at Hyderabad where any complaints can be registered. The insurer shall keep track of the complaints and report on the action taken to the Central Committee. The beneficiaries can also send telegrams to CEO of the Trust/ CMD's Secretariat / Zonal Office of the Insurer. The details of toll-free Numbers/addresses will be made available with PHCs and other Govt. hospitals. A separate set-up under the supervision of Executive Director of the Insurer at the Corporate Office will be setup to deal with the grievances.

23. ARBITRATION:

In case of any dispute arising between the parties to this agreement on the issues covered under the MOU, the matter shall be referred to



arbitration in accordance with the provisions of Arbitration and Conciliation Act.


This deed is executed in two originals, both of which are operative instruments held by both the parties.

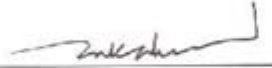
For The Government/Aarogya
Sri Health Care Trust


CHIEF EXECUTIVE OFFICER

For Star Health and Allied,
Insurance Co. Ltd.


CHAIRMAN-CUM-MANAGING DIRECTOR

Witnesses: 1. 
JEO, Technical -
AarogyaSri Health Care Trust

2. 
Executive Director
Star Health & Allied Insurance Co.,

