

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

LOK SABHA

**UNSTARRED QUESTION NO. 4700
TO BE ANSWERED ON 22.07.2019**

SETTLEMENT OF DUES BY ESIC TO EMPANELLED HOSPITALS

4700. SHRI ACHYUTANANDA SAMANTA:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) the rules for settlement of dues by ESIC to its empanelled hospitals including the minimum and maximum duration in terms of days and whether there is any penalty provision in case of failure by ESIC in complying with the Memorandum of Understanding (MOU) signed with such empanelled hospitals;**
- (b) the number of empanelled superspecialty hospitals that have outstanding dues pending with the ESIC for more than the maximum duration allowed in the MOUs; and**
- (c) whether the Government is aware that, as per its last report, the ESIC received contributions of over Rs. 20000 crore and disbursed benefits (including Medical, Cash and Other Benefits) of a mere Rs. 7513 crore, thus resulting in a huge disparity between money collected from employees and employers and the amount spent on benefits, if so, the Government's proposed measures to reduce the aforementioned disparity?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a): As per prevailing rules, after submission of medical treatment bills to "Employees' State Insurance Corporation hired Bill Clearing Agency" in a prescribed format, bills are to be processed and recommended to ESIC for payment within 10 days. Further, ESIC makes the payment to Empanelled hospital after due scrutiny. As per the Memorandum of Understanding (MoU) signed with Empanelled Hospitals, there is, as such, no provision of penalty in case of failure by ESIC in complying.

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However, there exists a provision wherein either of the party can exit from agreement after giving due notice for the same.

(b): None.

(c): During the financial year 2017-18, the contribution Income was Rs. 20,077 Crores and the total expenditure of ESIC was Rs. 8,544 Crores (including administrative expenditure of Rs. 1,031 Crores) which forms about 42 per cent (Approx.) of contribution income. During the financial year 2018-2019, the contribution income was Rs.22,279 Crores (unaudited) and the expenditure of ESIC was Rs.11,050 Crores (including administrative expenditure of Rs.1,155 Crores) (un-audited) which forms about 50 per cent (Approx.) of contribution income. In the current year 2019-20, effective from 1-07-2019, the rate of ESI contribution has been reduced from 6.5 per cent to 4 per cent of wages (Approx. 38% reduction).
