

**LOK SABHA
UNSTARRED QUESTION NO. 3644
TO BE ANSWERED ON 21.12.2015**

HANDING OVER OF ESIC MEDICAL COLLEGES

3644. SHRI KODIKUNNIL SURESH:

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

- (a) whether the Government proposes to handover Employees State Insurance Corporation (ESIC) hospitals/medical colleges to State Governments and if so, the details and number of such hospitals/medical colleges handed over to State Governments, State/UT-wise including Kerala at present;**
- (b) the general conditions and terms between the ESIC and various States/UTs including Kerala in this regard; and**
- (c) whether the employees are entitled for protection of their service, pay, allowances and if so, the directions given by the ESIC to State Governments for ensuring the service of faculties and employees of ESIC?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)**

(a): Yes, Madam. The Government has decided to hand over certain Employees State Insurance Corporation (ESIC) Medical Colleges along with associated Hospitals to willing State Governments. The status of Medical Colleges proposed to be handed over to the concerned State Governments, including Kerala is detailed at Annexure-I.

(b) & (c): The broad terms and conditions of the Memorandum of Understanding (MoU) for execution between the ESIC and the concerned State Governments are enclosed at Annexure-II. It takes care of service conditions of employees also.

ANNEXURE –I

STATEMENT REFERRED TO IN REPLY TO PARTS (a) OF LOK SABHA UN-STARRED QUESTION NO. 3644 FOR 21.12.2015 BY SHRI KODIKUNNIL SURESH REGARDING HANDING OVER OF ESIC MEDICAL COLLEGES.

TAKEOVER OF ESIC MEDICAL COLLEGES BY STATE GOVERNMENTS

Sl. No.	Location	Status
1.	Coimbatore, Tamil Nadu	The State Government had requested slight revision in the Memorandum of Understanding (MoU) sent earlier for takeover of the medical college. The request of the State Government has been acceded to and revised MoU has been conveyed to State Government for execution.
2.	Mandi, Himachal Pradesh	The MoU based on mutually agreed Terms and Conditions has been sent to the State Government of Himachal Pradesh for acceptance and execution.
3.	Paripally, Kerala	ESIC and the State Government have signed the MoU for transfer of ESIC Medical College and associated hospital on 09-10-2015.
4.	Bihta, Patna	The MoU to be executed between the ESIC and the State Government for transfer of Medical College has been conveyed to the State Government for acceptance and execution.

ANNEXURE –II

STATEMENT REFERRED TO IN REPLY TO PARTS (b) & (c) OF LOK SABHA UN-STARRED QUESTION NO. 3644 FOR 21.12.2015 BY SHRI KODIKUNNIL SURESH REGARDING HANDING OVER OF ESIC MEDICAL COLLEGES.

BROAD TERMS and CONDITIONS of MEMORANDUM OF UNDERSTANDING IN BRIEF

- ◆ First Party - ESIC ◆ Second Party - State Government

A. TERMS & CONDITIONS - 'FIRST PARTY' IN BRIEF

1. That in consideration of sharing of revenue as mentioned in the relevant Para, the First Party agrees to demise to the Second Party and the Second Party agrees to take possession of the said Buildings, (more fully described in Annexure), to hold the same for the purpose of running a Medical College and Hospital, on long term lease.
2. That the First Party would complete the construction work of both the Medical College and the Hospital parts with its own resources.
3. That the equipment already procured by the First Party would be transferred on 'as is, where is' basis to the Second Party.
4. That the First Party further agrees that it will not determine the quantum or structure of fee and other charges due from the medical students and hospital charges during the period of lease. However, the tuition and other fee for wards of IPs admitted under "ESIC management quota" shall be the same as the fee in other ESIC run medical colleges during the period of lease. The tuition fee as on date is Rs. 24,000 p.a.
5. That the land & buildings for both hospital and medical college would be made available to the Second Party for use, as being followed for ESIS institutions. The First Party would retain the ownership of the property, i.e. the entire land and the buildings constructed thereon.

B. TERMS & CONDITIONS - 'SECOND PARTY' IN BRIEF

1. That the hospital would run as an ESI / State General hospital.
2. That all the expenses whether recurring or otherwise incurred for running the Hospital and the Medical College shall be borne by the Second Party. Fund for running the hospital would be available to the State Government under the ESI Scheme in case the hospital is run as an ESI hospital.

3. That the Second Party shall provide services to IPs (Insured Persons and their families) at this hospital consistent with those provided under the ESI Scheme, on cashless basis if hospital is run as a State General Hospital.
4. That the actual procurement of equipment, for which firm orders have not been placed already by the First Party, would be done by the Second Party. Any expenditure, including that on equipment required for MCI purpose, other than as provided under balance liability would be borne by the State Government.
5. That maintenance of the hospital and other infrastructure of the Medical College, including the residential buildings, apparatus for electrical, water, air conditioning etc, and any other type of installations/ fittings shall be maintained by the Second Party out of its own funds including all charges for Electricity and Water, etc, as per consumption during the occupation.
6. That the taxes, assessments and determination, dues and duties, including enhancements and new taxes/cess, if any, payable in respect of the said building or buildings to be constructed thereon, to the Government or the Municipal Corporation or any other local authority or public body/ statutory body etc. will be payable by the Second Party as and when they become due and payable.
7. That all the liability regarding legal proceedings, if any, or any medico legal case filed against the Hospital, whether due to its negligence/ deficiency in service or not, during the tenure of the lease shall be the responsibility of the Second Party. The Second Party shall keep the First Party duly indemnified against any claims, litigations and proceedings on any account whatsoever.

C. TERMS & CONDITIONS - 'MUTUAL' IN BRIEF

1. That the parties mutually agree that the First Party would bear balance liability (as on 30.9.2014) and the Second Party agree to share 50% of the total revenue from both the medical college and hospital, including fees collected from the students on any courses offered in this institute, with the First Party till the duration of this MoU/ pay the balance liability as mutually decided.
2. That the Administrative/Ministerial/Medical and Paramedical employees of the hospital shall be given option to get absorbed in the services of Second Party as per the terms and conditions so laid down by the Second Party. Also, the First Party agrees that both the teaching and non-teaching staff recruited by the First Party will be treated as on deputation, for a period mutually agreed by both the parties, so that the Second Party is able to replace them with staff of the Second Party, on the condition that their service conditions (pay,

allowance, promotion etc) shall not be adversely_affected during the period of such deputation, i.e. it would be the same as applicable to similarly placed functionaries in ESIC institutions. An option shall be given to these staff either to get absorbed in the services of the Second Party on the service conditions of the Second Party or to get repatriated to the First Party.

3. The Second party shall contribute a percentage (varying from State to State) of total seats, i.e. all the management quota seats as available to 'Non-Minority Self Financing' medical colleges functioning in the State, to the pool of the First Party for admitting eligible 'Wards of IP's' on all India basis. The First Party shall surrender any unfilled seats, for want of eligible students (Wards of IPs), to the Second Party after conclusion of counselling process by the First Party.
4. That in case of any dispute or difference arising between the Parties hereto in any of the matters under this MOU or interpretation or in relation to implementation of any of the terms and conditions herein, the same shall be resolved initially by mutual discussion and conciliation. But in the event of failure thereof, the same shall be resolved through arbitration under Arbitration and Conciliation Act, 1996.
