2026:PHHC:047382

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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-34830-2019
DECIDED ON:23.03.2026

RAMESH CHANDER MALHOTRA

.....PETITIONER(S)

VERSUS

UNION OF INDIA AND ANOTHER

.....RESPONDENT(S)

CORAM: HON'BLE MR. JUSTICE SANDEEP MOUDGIL

Present: Mr. Prateek Sodhi, Advocate with
for the petitioner(s)

Mr. Viney Kumar, Advocate and
Mr. Sunish Bindlish, Advocate
for the respondent no. 2/FCI

SANDEEP MOUDGIL, J (ORAL)

Prayer

1. Claim in the present petition is in the nature of writ under Articles 226/227 of the Constitution of India seeking quashing of the order/letter dated 19.09.2018 (Annexure P-4) and 07.01.2019 (Annexure P-5) whereby the respondents have sought to reject the claim of the petitioner for reimbursement of his medical bills in terms of the Post Retirement Medical Scheme (PRMS) (Annexure P-2), with a further direction to respondents to reimburse medical bills of the petitioner in terms of the PRMS.

The Conspectus of Facts

2. The petitioner is a retired employee of the Food Corporation of India who superannuated as Manager (Quality Control) after rendering long and unblemished service. The FCI had introduced the Post-Retirement Medical

Scheme (PRMS) notified in December 2016 which was framed as a welfare measure for employees of the respondent department for a minimum service period of 15 years and envisages reimbursement of medical expenses subject to prescribed conditions, including treatment at Government hospitals, FCI empanelled hospitals, or such other hospitals of national repute as may be notified.

3. The petitioner underwent treatment of right total knee replacement in December 2016, and availed treatment at Amandeep Hospital, Amritsar during the periods 11.09.2019 to 21.08.2017 and 05.12.2017 to 20.12.2017 pursuant to the knee surgery, and thereafter submitted his claim for reimbursement along with requisite medical bills to the competent authority. The matter was processed internally, and an opinion was sought from the Chief Medical Officer, who opined that the treatment having been taken in a private hospital not empanelled with FCI and not notified as a hospital of national repute at the relevant time, the claim would not fall within the ambit of Clause 6.8 of the PRMS.

4. Acting upon the said opinion, the respondents returned the original medical bills and rejected the claim vide communications dated 19.09.2018 and 07.01.2019, holding that the petitioner had undertaken treatment from a non-empanelled private hospital and thus was not entitled to reimbursement beyond the permissible limits under the scheme.

5. Aggrieved by the said rejection, the petitioner has approached this Court by way of this petition.

Contentions

On behalf of the petitioners

6. Learned counsel for the petitioner submits that the rejection of medical reimbursement is arbitrary and contrary to the object of the PRMS, which is a beneficial scheme intended to provide post-retirement medical security. It is

contended that Clause 6.8 of the scheme ought to be interpreted purposively, and the expression "hospital of national repute" cannot be confined to formal notification alone, particularly when the hospital in question is NABH-accredited and subsequently empanelled by the respondents.

7. It is urged that the insistence on technical conditions such as prior empanelment, defeats substantive entitlement where the treatment is undisputedly genuine and necessary. It is further argued that no discrepancy in the medical bills has been pointed out and, therefore, denial of reimbursement on procedural grounds is violative of Article 14.

On behalf of respondent/State

8. Per contra, learned counsel for the respondents contends that the claim is governed strictly by the terms of the PRMS, which clearly restricts reimbursement under Clause 6.8 to treatment taken in Government hospitals, empanelled hospitals, or hospitals specifically notified by the competent authority. It is submitted that at the relevant time, the hospital was neither empanelled nor notified, and thus the petitioner does not satisfy the eligibility conditions. The subsequent empanelment has no retrospective effect.

9. It is further contended that no prior approval or medical emergency has been shown so as to justify deviation from the scheme, and the petitioner having already been granted reimbursement up to the permissible limit for non-empanelled treatment, no further claim is maintainable.

Analysis

10. The controversy, though arising within the confines of a policy framework, traverses into the broader constitutional terrain of the right to health

and dignity, which now stands firmly embedded within the sweep of Article 21 of the Constitution.

17. The law relating to medical reimbursement has witnessed a marked evolution from a rigid, rule-bound entitlement to a more humane, purposive, and constitutionalised understanding. The State and its instrumentalities, while undoubtedly entitled to frame policies regulating reimbursement, cannot administer such schemes in a manner that renders the right itself illusory.

18. In ***"Surjit Singh v. State of Punjab 1996 (2) SCT 234"***, the Supreme Court rejected the denial of reimbursement on technical grounds where treatment was taken in a non-approved hospital during emergency. In ***"State of Punjab v. Mohinder Singh Chawla 1997 (1) SCT 716"***, it was held by the Supreme Court that the State is constitutionally obligated to bear medical expenses of its employees, the right to health being integral to life itself, while observing that,

> *Consequently, when the patient was admitted and had taken the treatment in the hospital and had incurred the expenditure towards room charges, inevitably the consequential rent paid for the room during his stay is integral part of his expenditure incurred for the treatment. Consequently the Government is required to reimburse the expenditure incurred for the period during which the patient stayed in the approved hospital for treatment. It is incongruous that while the patient is admitted to undergo treatment and he is refused the reimbursement of the actual expenditure incurred towards room rent and is given the expenditure of the room rent chargeable in another institute whereat he had not actually undergone treatment. Under these circumstances, the contention of the State Government is obviously untenable and incongruous.*

19. The culmination of this evolution is found in ***"Shiva Kant Jha v. Union of India 2018 (2) SCT 529"***, wherein the Supreme Court held in clear and unambiguous terms that a government employee or pensioner cannot be denied reimbursement merely because treatment was obtained in a non-empanelled

hospital during emergency. The Court emphasised that technicalities cannot defeat life-saving decisions and that reimbursement must be real and meaningful, not illusory. Relevant extract of the same is as under:

> *13. It is a settled legal position that the Government employee during his life time or after his retirement is entitled to get the benefit of the medical facilities and no fetters can be placed on his rights. It is acceptable to common sense, that ultimate decision as to how a patient should be treated vests only with the Doctor, who is well versed and expert both on academic qualification and experience gained. Very little scope is left to the patient or his relative to decide as to the manner in which the ailment should be treated. Speciality Hospitals are established for treatment of specified ailments and services of Doctors specialized in a discipline are availed by patients only to ensure proper, required and safe treatment. Can it be said that taking treatment in Speciality Hospital by itself would deprive a person to claim reimbursement solely on the ground that the said Hospital is not included in the Government Order. The right to medical claim cannot be denied merely because the name of the hospital is not included in the Government Order. The real test must be the factum of treatment. Before any medical claim is honoured, the authorities are bound to ensure as to whether the claimant had actually taken treatment and the factum of treatment is supported by records duly certified by Doctors/Hospitals concerned. Once, it is established, the claim cannot be denied on technical grounds. Clearly, in the present case, by taking a very inhuman approach, the officials of the CGHS have denied the grant of medical reimbursement in full to the petitioner forcing him to approach this Court.*
>
> *14. This is hardly a satisfactory state of affairs. The relevant authorities are required to be more responsive and cannot in a mechanical manner deprive an employee of his legitimate reimbursement.*

20. Tested on this touchstone, the approach adopted by the respondents in the present case appears unduly formalistic and divorced from the underlying constitutional ethos. The PRMS, though a contributory scheme, is nonetheless a welfare measure, and its provisions must receive a liberal and purposive construction. Clause 6.8, when read in its proper context, does not warrant a

constricted interpretation that excludes all hospitals save those formally empanelled or notified. The same has been produced as under:

> ***Clause 6.8*** *An additional special lifetime ceiling of Rs 4,00,000 will be applicable to a member for indoor treatment of self/spouse/dependent children (as specified in this scheme) for the following specified major diseases, provided the treatment is done at a Govt, hospital or at a FCI empanelled hospital or such other hospital of national repute as may be notified by CMD, FCI for this purpose :*
>
> *(a) Bypass surgery of heart/angioplasty/valve replacement*
>
> *(b) Pacemaker implant*
>
> *(c) Neuro Surgery*
>
> *(d)Kidney/renal/liver/bone-marrow/other organ transplant*
>
> *(e) Joint replacement and surgery*
>
> *(f) Pulmonary valvotomy/surgical treatment of lung*
>
> *(h) Cancer*
>
> *A member would be able to avail this option either at one go or on multiple occasions subject to the overall lifetime limit.*

The expression ***"hospital of national repute"*** is inherently broad and cannot be reduced to a mere administrative label affixed by notification. The insistence that only those hospitals formally notified by the CMD would qualify is, in effect, to read into the clause a restriction that defeats its very purpose.

21. The material on record demonstrates that the petitioner underwent a major surgical procedure of right total knee replacement, in an admittedly, recognized healthcare institution accredited by National Accreditation Board for Hospitals & Healthcare (NABH). The respondents do not dispute either the necessity of the treatment or the authenticity of the medical bills. Their sole ground for rejection rests on the status of the hospital at the relevant time.

22. In the considered view of this Court, this is a hyper-technical objection, insufficient to deny a substantive benefit under a welfare scheme. The

law as it now stands crystallised, does not permit the State to turn a blind eye to genuine medical needs merely because procedural stipulations were not meticulously adhered to.

23. There is yet another dimension which merits emphasis. The subsequent empanelment of the very same hospital by the respondents is not an inconsequential fact. While it is noted that the subsequent empanelment may not operate retrospectively but it bears persuasive evidentiary value in the present circumstances. Empanelment is preceded by scrutiny of infrastructure, medical standards, and financial parameters. If the hospital was found fit for empanelment shortly thereafter, it would be apt to suggest that it carried credibility or competence at the time the petitioner underwent treatment. The subsequent recognition, therefore, reinforces the petitioner's contention that the hospital was indeed one of sufficient standing and repute.

24. The Court also cannot overlook the human element inherent in decision-making in cases of medical reimbursement. The relationship between a patient and a treating doctor is one founded on trust and confidence. A patient, particularly one undergoing a major surgical intervention, does not and cannot be expected to navigate bureaucratic classifications of empanelment. The freedom to choose one's doctor and place of treatment is not a matter of mere convenience but it is intrinsic to the preservation of life and health. As poignantly observed in ***Shiva Kant Jha (supra)***, a patient cannot be compelled to undergo treatment in a particular hospital merely because it is on a panel, when circumstances dictate otherwise.

25. The petitioner cannot reasonably be expected to obtain prior approval before undergoing treatment, and no ground exists to sustain the objection raised

by the respondents on this basis. Clause 6.8 of the PRMS entitles members to reimbursement for treatment at hospitals of national repute, and the scheme does not make prior approval a mandatory precondition. To insist upon prior approval in all circumstances would be to impose an impractical burden, particularly upon retired employees who seek timely and effective treatment.

Conclusion

29. Viewed holistically, the impugned order/letters dated 19.09.2018 and 07.01.2019 (Annexure P-4 & P-5) disclose an approach that is excessively technical, contrary to the object of the scheme, and inconsistent with the constitutional mandate under Article 21 of the Constitution. The denial of reimbursement, in the face of undisputed treatment and expenditure, amounts to an arbitrary exercise of power and cannot be sustained.

30. In view thereof, this court is of the opinion that the petitioner is entitled for reimbursement up to Rs. 4,00,000/- as per Clause 6.8 of the PRMS. The impugned communications are set aside, and the respondents are directed to process and release the petitioner's claim for medical reimbursement. Any amount found due shall be released within a period of 6 weeks from the date of receipt of a certified copy of this order. No interest shall be payable in view of the petitioner's undertaking to waive any claim for interest on arrears.

30. Accordingly, the present writ petition is allowed.

31. Pending application(s), if any shall be disposed off.

(SANDEEP MOUDGIL)
JUDGE

23.03.2026
anuradha
Whether speaking/reasoned :Yes/No
Whether reportable :Yes/No