



Editorial

PMAB – AN ASSESSMENT FROM THE PENSIONER PERSPECTIVE

On 14th January 2026, Department of Financial Services (DFS), Ministry of Finance launched Paripoorna Mediciam Ayush Bima (PMAB) for CGHS beneficiaries, claiming to offer cashless facilities, modern treatments and access to a wide network of hospitals. The Press Information Bureau Press Release said *“The policy is exclusively available to CGHS beneficiaries with a maximum of six members per policy. It provides indemnity-based in-patient hospitalization coverage within India, with sum insured options of ₹10 Lakh or ₹20 Lakh. Product will have co-payment component allowing beneficiaries to choose between 70:30 or 50:50 co-sharing between insurance company and the subscribers. This optional health insurance plan will be available as a retail product for all CGHS beneficiaries.”*

Many CGHS pensioner-beneficiaries have reacted to the launch of the Paripoorna Mediciam scheme with marked disinterest, shaped by their earlier experiences with initiatives like ABHA, which was later made mandatory for CGHS beneficiaries but was successfully resisted by AIBSNLREA. Beneath the glossy announcements, pensioners sense a familiar pattern: schemes framed as “welfare” often end up shifting responsibility and financial burden onto pensioners while allowing the Government to gradually dilute its own obligations under CGHS. The repeated push toward digital IDs, data-driven profiling, and insurance-based models is to be viewed as

part of a larger agenda to reduce long-term commitments to pensioners’ healthcare, replacing guaranteed entitlements. For pensioner beneficiaries, Paripoorna Mediciam Ayush Bima appears less like a solution and more like another attempt to repackage cost-cutting as reform.

The evident disinterest among pensioner beneficiaries regarding the PMAB, coupled with concerns that it may represent yet another effort by the Government to shift CGHS responsibilities, is well justified. According to the data provided by Reserve Bank of India, the Government’s allocation for health, as a percentage of GDP, has declined drastically from 0.37% (2020-21 Actual Expenditure) to 0.29% (2025-26 BE). The share of health in the total Union Government Budget has declined from 2.20% to 2.05% in this period. In 2018-19, Health and Education Cess (HEC) was introduced at 4% of one’s total taxable income. However, the thousands of crores collected yearly as HEC has not been used to expand the health budget but instead is being used to supplement tax resources. According to a CAG report *“Health-related cesses are credited to the Consolidated Fund of India, with no transparent mechanism to ensure that funds collected in the name of health are actually used to strengthen public healthcare systems.”*

According to the New India Assurance Co. Ltd., Paripoorna Mediciam Ayush Bima is a new, optional top-up health insurance

plan created exclusively for CGHS beneficiaries, offering ₹10–20 lakh coverage, full AYUSH reimbursement, cashless treatment, and discounted premiums. It is designed to *supplement* CGHS rather than replace it.

PMAB provides for lower premiums than market policies due to government-negotiated discounts and no GST; guaranteed acceptance for CGHS beneficiaries, unlike retail insurers who may load premiums or reject proposals for age/health reasons; AYUSH coverage at 100% will be useful for chronic conditions where seniors often seek alternative therapies and cumulative bonus helps increase coverage over time without extra cost. Unlike CGHS, it provides cashless treatment in a wide network of hospitals.

On the other hand, the co-payment requirement means the pensioners must still pay 30–50% of the bill unless CGHS covers part of it. This may lead to out-of-pocket expenses in high-end hospitals. Room rent is capped at 1% of sum insured per day; ICU expenses not to exceed 2% of sum insured per day; Coverage for Modern treatments (like robotic surgery?) as per list mentioned in policy will be maximum up to 25% of Sum Insured; 90 days waiting period for Diabetes and High Blood pressure; 24 months waiting period for a long list of pre-existing diseases (which are very common in old age) which includes cataract, all benign tumours, ear, nose, throat disorders, enlarged prostate, ulcer, arthritis, piles, spinal/vertebral disc prolapse, kidney stone, Gall Bladder Stone etc. In practical terms, this means the pensioner could end up paying premiums for nearly two years before receiving any tangible benefit from the policy.

Though this is said to complement CGHS, the first claim is to be done with the

insurer and there is no specific provision that CGHS will pay the remaining. CGHS pensioner beneficiaries will have to cough up around 50000 rupees each (for self and spouse) every year as premium. So, the question is, why should a pensioner pay ₹1,00,000 every year for a scheme that does not even guarantee that CGHS will cover the remaining amount, after having already paid a huge amount as Life-time contribution to CGHS?

This is a major departure from the usual “top-up” logic. In a true top-up, the base scheme (CGHS) pays first, and the insurance covers the excess. Here, the order is reversed — and that changes everything. The structure of the scheme appears to reduce financial responsibility of CGHS rather than the beneficiaries.

With a mandatory co-payment of 30 to 50% on every hospital bill—including any charges exceeding room rent, ICU, and modern treatment limits—and no assurance that CGHS will cover the remaining amount, pensioner beneficiaries may find themselves solely dependent on the insurer for settling their claims. If the insurer rejects part of the claim, CGHS is not bound to pay the difference. This again protects CGHS, not the pensioner.

The government may have introduced this scheme as a means to manage rising CGHS expenditures, which are being driven by increased life expectancy, a higher prevalence of chronic and age-related illnesses, and the escalating costs of private hospital treatments. Rather than raising CGHS subscription rates or limiting benefits, offering a “voluntary insurance add-on” might have been seen as a more acceptable alternative. Additionally, since hospitals frequently decline to admit CGHS patients due to the relatively low package rates—even after revisions—this insurance enables

beneficiaries to access private hospitals without requiring CGHS to adjust its rates.

It is pertinent to recall that the introduction of a health insurance scheme for pensioners, including those residing outside CGHS areas, had been under consideration by SCOVA for several years. However, this item was unexpectedly removed from the Action Taken Report following the 32nd SCOVA meeting, and no steps have been taken to reinstate it, despite representations made by us to the Prime Minister. The Pensioner Associations represented in SCOVA did not raise this issue in the subsequent two meetings. Given that a concrete proposal had already been submitted by the Ministry of Health & Family Welfare to the Department of Expenditure, it is now imperative for the Ministry to revisit and advance this initiative from where it was previously left off.

It is particularly surprising that the scheme was not introduced by the Ministry of Health & Family Welfare, as would typically be expected for a healthcare initiative. Instead, the Department of Financial Services under the Ministry of Finance took the lead in launching the PMAB. This is not the first instance of such an unexpected move; previously, the Validation of Pension Rules was presented to Parliament as part of the Finance Bill 2025, with the Department of Pension & Pensioners' Welfare subsequently denying submitting a cabinet note on the matter. The increasing involvement of the Finance Ministry in matters traditionally overseen by other Ministries signals a significant shift in the governance of pensioner welfare.⊖



Important Developments of the Month

- ❖ The virtual meeting of AIBSNLREA CHQ office bearers was held on 01.01.2026 under the Presidentship of Shri V.Chinnappiah, CHQ President. President initiated the proceedings, wishing all a Happy New Year. General Secretary then gave a brief account of developments during the month, mentioning progress in resolution of some long pending individual grievances and the positive change in the attitude of DoT, now communicating to the association, expressing concern and assuring early resolution of some specific grievances of individual pensioners. He elaborately explained about the developments subsequent to ITAT Chandigarh orders on tax exemption for ex-gratia received by VRS retirees and suggested the nature of further action by AIBSNLREA. He thanked Shri Sanat Maitra, CHQ VP, for donating Rs.9750/- the restored commuted portion of pension for the first month on his attaining the age of 75 years. After the office bearers presented the details of their activities during December 2025, discussions were held on the proposed AIC. In view of overwhelming interest shown by members in participating in the AIC, Host Branch is already in search of more number of hotels nearby for accommodating more delegates than planned. As suitable accommodation is a must for the comfort of the delegates, it was decided that depending on the outcome of the search by Host Branch, restrictions may have to be placed for the number of