

Introduction to Rajasthan Scheme

- Rajasthan has been offering cashless health insurance for citizens of the State since 2015 under a scheme named **Bhamashah Swasthya Bima Yojana**. This State scheme merged with Ayushman Bharat and a fresh tender with enhanced coverage was released on 17th October 2019 to invite bids from insurers to implement the scheme from December 2019 post completion of ongoing policy period.

Bidding for the scheme

- 1st bid:
 - Technical bids for the same were received on 21st January 2020 and tender was cancelled on the same day without opening financial bid as there was only one bidder. **The entire insurance industry refrained from bidding as the tender had frivolous conditions** which did not allow the insurer to terminate the contract even after 180 days of non receipt of premium from the Government. Insurance companies conveyed their concerns to the State Government multiple times and requested the tender conditions to be more unbiased so that they could participate in the bid process.

2nd bid:

- Thereafter, a **new tender was floated on 19th February 2020**. The condition of 180 days was relaxed to 90 days without any penalty on Government for delay in payment of premium to the insurer.
- However, the **bids were called for in May 2020**. The insurers requested the Government to delay the bid submission as they were not in a position to submit bids due to the ongoing lockdown condition. While various States like Kerala cancelled their health tenders in such condition, Rajasthan health Department went ahead and opened the bids which again had only a single bidder, the same as in the 1st bid, Bajaj Allianz General Insurance Company.
- **The private player quoted a budget cost of Rs. 3,500 Crore which is 75% higher than the Rajasthan Government's budgeted estimated of Rs. 2,000 Crore** (as mentioned in their Tender Document). The health Department has now awarded the contract to the private player at a higher rate without considering delaying the bid again in the face of the ongoing pandemic wherein insurers now want to bid, however are unable to as their offices are shut. Many public sector insurers are ready to quote a much lower rate for this welfare scheme.

The scheme is already ongoing in the State on a Trust mode and no such emergency is in sight which is compelling the State to award the contract in a rush in such situation at 75% higher rate. While awarding contract to a single bidder and that too at an enormously higher rate violates not only the CVC guidelines but also the Rajasthan Transparency in Public Procurement Rules, 2013 (Rule 68), which is applicable to this tender, this event of awarding bid to a private player at such a high rate brings to the light the lack of transparency in health Department of Rajasthan.

It tantamounts to not only favouring a single private player but also wasting huge amount of public money at a time when the Government is struggling to pay salaries to its employees and dealing with the current pandemic, for reasons best known to the Department officials.