



Investigating Overcharged Medical Bills and Ensuring Accountability of Private Hospitals during COVID in Maharashtra



Disclaimer

This report documents a government-initiated audit of excess medical bills incurred by patients during the pandemic. All the testimonies in this report are true and anonymized. The intention of this document is not to criticise the private health sector as such but to showcase how overcharging took place during the pandemic despite the state government's rate capping order. This report provides a brief documentation of patient experiences, the audit process, and its impact.



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This report provides a glimpse into the inspiring stories of various patients and how they achieved accountability in the private health sector. While some hospitals have been exemplary in providing rational care to COVID-19 patients, not all have followed suit. Instead, certain private hospitals have used the pandemic as an opportunity to profit, charging exorbitant bills that have left patients and their families reeling under debt. The scale of this profiteering is astounding, with several states in India compelled to issue rate-capping orders in response. Despite the commendable efforts of some hospitals, the ugly reality of profiteering by others cannot be ignored.

Meet Kishor Waghmare from Nagar, Mauli, a farmer from Shirur, and Sheela from Nasik - just a few of the countless families who faced the daunting task of holding private hospitals accountable for overcharging during the COVID-19 pandemic. Despite facing staunch resistance from hospitals, these patients and their families refused to back down and demanded a thorough bill audit, determined to fight against the unjust practice of overcharging.



During the COVID-19 pandemic, many widowed women in the unorganised sector found themselves in dire straits. The high cost of hospital bills for COVID-19 treatment left many in debt, with bills running into lakhs of rupees. Adding to their hardship, these women also lost their family's sole breadwinner - their husband, burdening them with enormous debt. Jan Arogya Abhiyan and the Corona Ekal Mahila Punarvasan Samiti (Corona Affected Single Women Rehabilitation Committee) surveyed 2,579 COVID-affected families. They found that 1,059 women who lost their husbands to COVID-19 were charged exorbitant hospital bills, far exceeding the government-stipulated rates. This unique audit of excessive bills was crucial in challenging the unaccountable behaviour of the private sector by ordinary citizens. While the amount recovered is not the most important aspect, this process helped to reduce the sense of helplessness among patients. Moreover, the general mindset of accepting inflated medical bills as is will change too. The fact that ordinary women are now questioning the inflated bills charged by powerful private hospitals represents a significant shift, and this achievement is incredibly valuable.



— **Heramb Kulkarni** | State Convener, Corona Single Women Rehabilitation Committee Maharashtra

Important Decisions of Maharashtra Government

The Maharashtra government acted swiftly and made crucial decisions to safeguard the interests of patients and the public during the COVID-19 pandemic. Utilizing provisions of the 2005 Disaster Management Act, Maharashtra became the first Indian state to regulate rates in 80% of private hospital

beds. In response to civil society organizations (CSOs), the government also launched an unprecedented bill audit process in private hospitals - a significant and unprecedented move. Importantly, many hospitals were forced to return the overcharged amount to patients.



Maharashtra government took following four policy decisions

1 21st May 2020- 80% of beds in private hospitals were reserved for covid patients. Rates of general ward isolation or isolation treatment with oxygen, treatment in ICU, and treatment in ICU with ventilator were standardized and rates were fixed.

2 21st May 2020- Every bill above Rs 1.5 lakh for Covid treatment will be audited (it was later reduced to Rs 1 lakh, as by then approximate spending on Covid treatment was fairly established).

3 Free treatment for all ration card holders under Mahatma Phule Jan Arogya Yojana¹ in the empanelled private hospitals.

4 1st June 2021- Rates were standardized for tier 1, tier 2, and tier 3 cities².

1 State specific health insurance scheme in Maharashtra.

2 The cost per day of general ward treatment in big cities like Mumbai, Pune, Nagpur etc. has been fixed at Rs. 4000 rupees. For cities like Kolhapur, Vasai-Virar, Malegaon, Nanded, Sangli etc is Rs.3000. In 'C' category cities i.e., all cities, districts other than the cities mentioned above the cost is Rs. 2400. The rates of treatment in ICU for these three categories respectively are Rs. 7500, Rs. 5500 and Rs. 4500, while the rates of treatment in ICU with ventilator are Rs. 9000, Rs. 6700 and Rs. 5400.

The government order also clearly specified services included and excluded under rate capping.

From the people's perspective, these orders were reassuring as they guaranteed fair treatment at a reasonable price. Additionally, the government instituted an audit process if bills exceeded the rate capping, and the district administration was empowered to form audit committees.

However, despite the right intent of these orders, as the JAA-CAMPS rapid survey showed, private hospitals used various tactics to circumvent the capping order.



COVID-19 was the most devastating pandemic of this century, presenting challenges such as the availability and quality of healthcare and medicines. Given the economic crisis, it was the government's duty to control rates and ensure the availability of affordable healthcare.

Organisations such as SATHI played an active role in creating awareness and implementing the audit process across the state, helping to ensure that everyone had access to fair healthcare rates. By working together, we can ensure everyone receives the care they need during these challenging times.



- Dr. Sudhakar Shinde | Chief Executive Officer, Mahatma Jyotirao Phule Jan Arogya Yojana, Government of Maharashtra.

Audit of Covid-related excess medical bills- Strength of a collective

In Maharashtra, the Covid pandemic brought numerous social organisations together to help needy people. One of these organisations was the Corona Ekal Mahila Parishad Samiti (CEMPS), formed by leading social activist Heramb Kulkarni. Many women in different parts of Maharashtra who had lost their husbands during the pandemic associated themselves with CEMPS.

After the second wave of Covid subsided, CEMPS and Jan Arogya Abhiyan (JAA), a group working on health rights, decided to survey these families. This survey aimed to identify the magnitude of overcharging and its impact on households. Notably, both JAA and CEMPS work with different focuses and identities. However, they pooled together their knowledge, capabilities, strengths, and areas of expertise to work towards a common objective

Together, they ensured that the government instituted a credible audit process as many families took heavy loans to pay their medical bills. This audit process identified excess amounts charged to families.

CEMPS and JAA have strongly advocated for an audit by the state government.

Survey and findings

JAA and CEMPS conducted a survey in 34 districts of the state. The survey, which gathered information from 2579 patients primarily in rural areas, revealed that families had to spend significant money on COVID treatment. Shockingly, despite the government's rate-capping order, 75% of patients were overcharged compared to official rates, with the average cost of patients admitted to private hospitals being Rs 21,215 per day.

This scale of unanticipated expenses has had a catastrophic impact on families, with more than half of the patients having to take out loans to pay for their medical bills. Even worse, out of the 1059 women surveyed who had lost their husbands to COVID, 770 (73%) were charged extra for treatment, with an average excess charge of around Rs.1.72 lakh. Some families had to sell their assets, seek help from others, or, in the worst case, secure loans from private lenders at a very high interest rate to settle these bills.





After the onset of the pandemic, government hospitals quickly ran out of available beds. In such a dire situation, people did not have the opportunity to consider whether they could afford private hospital care. Unfortunately, the cost of ambulance services, treatment, tests, and medications at private hospitals became expensive, often leaving families in a difficult financial situation. To mitigate this problem, it was crucial to disseminate information about government schemes such as Mahatma Phule Jan Arogya Yojana to the public. Furthermore, private hospitals urgently needed to implement 'rate control' measures in line with the government order. During survey we realised that financial distress caused by high medical bills was shocking.



- Deepali Yakkundi | SATHI

Advocacy for audit and ensuring support from the state government

On 12th October 2021, representatives from JAA and CEMPS met with Hon: Health Minister Rajesh Tope, Member of Parliament Ms Supriya Sule, and senior state-level officials. During the meeting, startling findings from a survey were presented, and there was a consensus that the scale of overcharging was massive, and the government had to take steps to protect patients and their families from financial exploitation. As an immediate step, it was agreed that there would be an audit of excess bills, and the following steps for auditing were proposed:

Steps for auditing

1 Every complainant would file a complaint addressed to the Minister of Health. Once auditing is completed, and if overcharging is proven, hospitals would be responsible for returning the excess amount to the patient or family members.

2 The office of the Health Minister would issue a circular to complete the audit at the district and taluk level within one month of receiving the complaint. (The circular was issued on 11th November 2022.)

3 Dr. Sudhakar Shinde, the Chief Executive Officer of 'Mahatma Jyotiba Phule Jan Arogya Yojana' (MJPJAY), will be responsible for ensuring that the audit process is completed within the stipulated time.



My life forever altered by devastating second wave of COVID

I will never forget the four months from April to June 2021. In April my brother-in-law was admitted to the hospital. Following him, very shortly, my sister too contracted COVID. Unfortunately, my brother-in-law passed away, and my sister was unaware of his death as she was still in the hospital. Adding to our family's misery, my sister's in-laws abandoned my niece and nephew, severing all family ties.

As my sister's condition deteriorated, we had to transfer her to different hospitals multiple times, incurring increasing medical costs. Despite our financial constraints, we made saving my sister our top priority. However, we eventually ran out of money and could not secure a loan from anyone. As a last resort, we mortgaged our family's

only sustenance source: farming land. During this time, I also contracted COVID and had to quarantine at home while my sister was in the hospital alone. The hospital continuously called us for payments, and we continued to send whatever money we could. Despite our efforts, my sister passed away. The hospital bill for her treatment in Pune lasted 37 days and was more than six lakhs rupees.

In four months, we spent over ten lakhs on medical bills from five different hospitals. We were perplexed to see that bills were very high, given that the hospital only provided routine isolation treatment and oxygen. We filed a complaint, but I have lost the strength to pursue it further.

- **Mauli** | **Shirur**

“The state government's decision to audit the bills of private hospitals is welcome. However, some hospitals violated this order and levied additional bills on patients. Such incidents create mistrust between patients, private hospitals, and doctors. With COVID-related experience in the background, there is a need to reform, restructure and strengthen the public health system so that people's dependence on private health sector is reduced. Along with this, regulation of the private healthcare system is equally necessary.”

- Vinod Shende |
Health Rights Activist

Collection and Scrutiny of Overcharging Complaints

The audit process was one of the most intensive and challenging parts of the initiative. Many complainants required assistance in completing the application forms. Activists who assisted in the survey also took responsibility for completing complaint application forms.

However, while many people felt that hospitals were overcharging them, they needed more knowledge about the government's order on rate capping and how the hospital had overcharged them. Despite being vocal about overcharging during the survey, people found it challenging to understand the audit process. Activists who helped them fill out the forms explained what the audit was and what it aimed to achieve. They also highlighted the difference between government-stipulated rates and the hospital's arbitrary charges in violation of govt. order.

To address the need for greater understanding on audit, SATHI organised workshops in areas where many complainants were identified. These workshops provided orientation on the audit process and assisted people in filling out the forms. Activists were key in completing the audit forms, especially for technical information. Four workshops were held in Shirur and Niphad blocks in Pune and Nasik districts, and Pune and Sangali cities.

The workshops helped people understand the process and ensured that the complaints were complete and accurate.



Testimony of women who participated in the Shirur workshop

I remember the difficult time when my husband was in the ICU. Every time I called, I was told that I wouldn't be able to see him. It felt like I was missing a chance to be with him during his most vulnerable moment. Even though I was doing everything the hospital asked of me - bringing medicines, signing forms, and paying bills - I felt lost and helpless. I had no idea what kind of treatment my husband was receiving or what drugs were being administered. It was like being left in the dark.

Sadly, I never got the chance to say goodbye to him. It's hard to describe the pain and regret that comes with that. And it wasn't just us - others were going through similar experiences. It's heartbreaking to constantly fear losing a loved one while feeling like hospitals are taking advantage of the situation and overcharging us.

I want to clarify that it's not just about the money. Even if we get our money back, it won't take away the trauma we went through. I want to make sure that these hospitals learn a lesson so that they treat their patients with the care and empathy they deserve. No one should have to go through what we went through.

SATHI conducted the initial scrutiny of the submitted complaints. During the process, we completed two tasks. Firstly, we verified the completeness of all required documents. If any information was missing, we discussed it with the complainant and completed the necessary forms. Secondly, we reviewed the hospital bills based on the days of treatment and compared them to government-stipulated rates. We estimated excess charges, which allowed complainants to understand how much excess money they had paid. This excess amount estimation was also helpful during the audit.

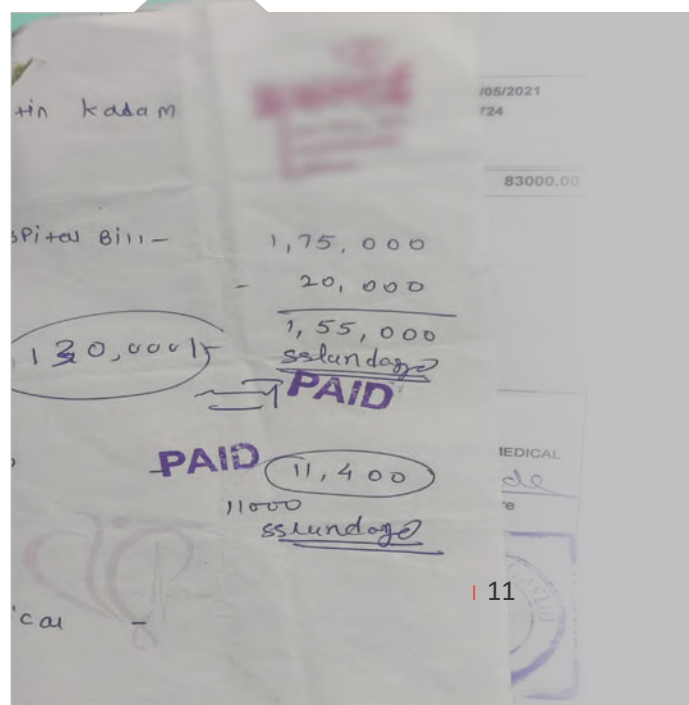
From the verification of documents, a shocking tale of profiteering emerged!

What have we found in hospital bills?

It is expected that when a bill is issued, it has a specific format, and the details and rates of the bill are clearly mentioned. However, during the audit it was found that bills given to the patients were not uniform. In fact, some patients received bills on plain notebook paper! To avoid contestation over bills, some hospitals also printed on their bills a line- "no complaint against the bill" and took signatures from patients or relatives.

Just like the shopkeepers give discounts to increase their sales, the amount of 'discount' was mentioned on some bills. This discount trick was played to coerce patients to settle bills as soon as possible.

Despite clear government rate capping orders, the rates for a particular service differed from hospital to hospital. The difference was anywhere from fifty rupees to three thousand rupees.



Hospital Bills: Glimpses of arbitrariness

- Though some bills were within government-stipulated rates, the cost of medicines was in lakhs. For example, a patient in Sangali had a hospital bill of Rs 1.5 Lakh and medicine bill worth Rs 4 Lakh.

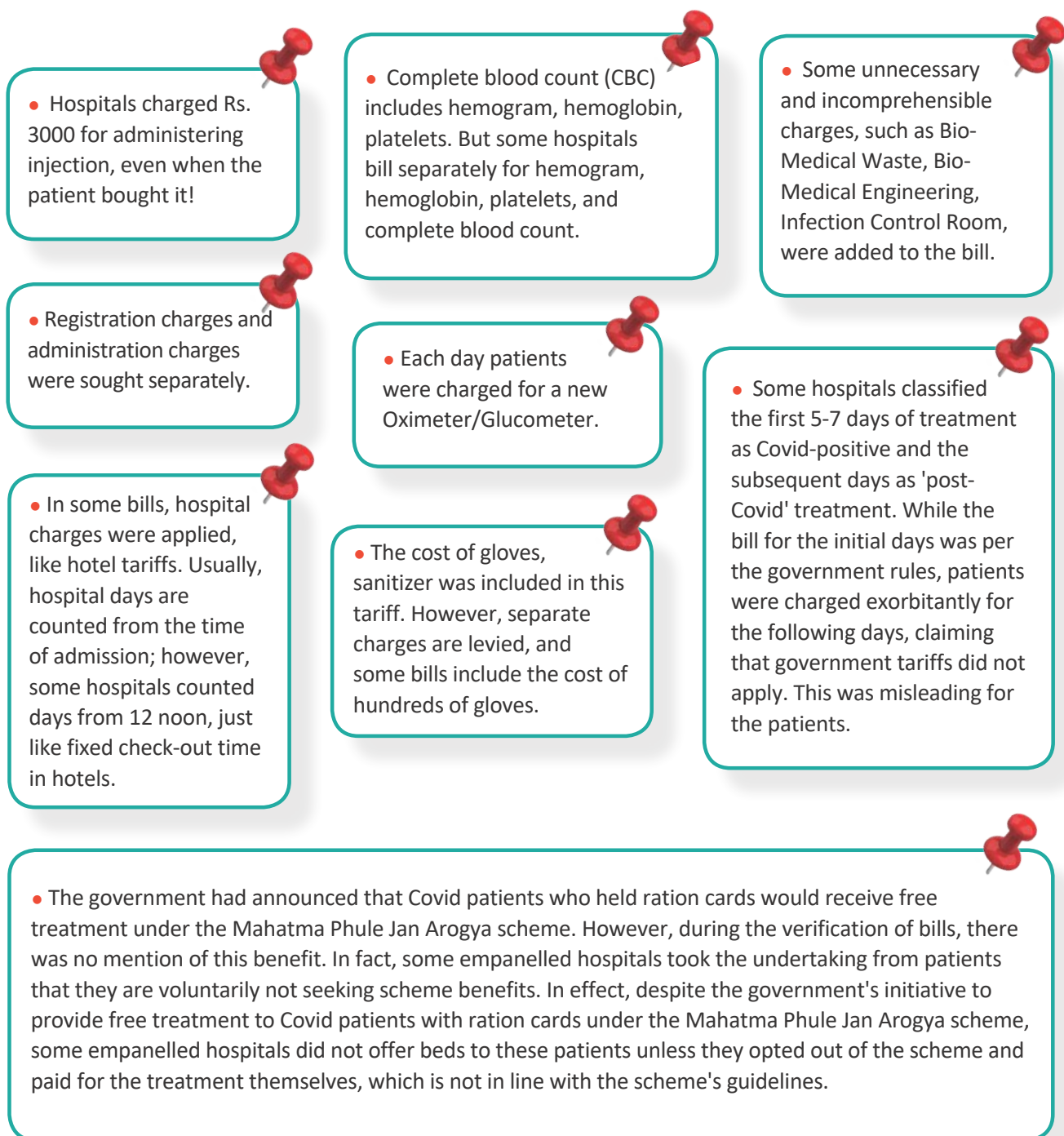
- Government rules clearly state that if a hospital has a pharmacy, the daily bed charges should cover the cost of medicines. However, upon closer inspection of the medical bills, it was discovered that even if the hospital has a pharmacy on its premises, its ownership belonged to a third party. So, even when patients buy medicines from a pharmacy located in the hospital, they pay separately for medicines.

- Ventilator bed rates were typically in line with government rules, but necessary equipment, doctors, and nurses' charges are often billed separately.

- Some hospitals have found a new way to charge their patients - by separating the components of an 'oxygen bed'. As we all know, an 'oxygen bed' typically includes a bed, oxygen mask, oxygen cylinder, and monitor. However, some hospitals charged their patients separately for each of these components.

- The cleanliness of hospitals, proper disposal of medical waste, and updating information about medicines are a part of regular hospital management. However, each patient is charged separately for these services.





Without basic medical knowledge, a layperson may not understand the instances of overcharging and inflated bills mentioned above.

Some treatments listed on the bills were unclear, and many patients were not informed about the type of treatment they received, such as general isolation treatment (with or without oxygen) or ICU treatment (with a ventilator or without). Therefore, it was necessary to discuss with the patient whether

the treatment was provided as mentioned in the bill. Of course, this was only possible with those who were still alive. Even some patients who survived could not precisely tell what treatment they received, what equipment was used, and whether it was an oxygen bed or ICU. While it was easy to identify possible overcharging in the treatment bills when gross, retrospectively identifying every facet of overcharging from bills was exceptionally difficult.

“ The Covid pandemic has pushed middle and lower-middle-class families into the depths of poverty with just one hospital admission. It's a crisis that not only drains them financially but emotionally as well. How can families cope with the daunting task of paying huge sums of money when their loved ones are fighting for their lives? And to make matters worse, private hospitals seem to be charging unreasonably high fees without any accountability. It's time for the government to step in and bring some much-needed regulation to these private hospitals. We must learn from this crisis and take steps towards providing free and quality healthcare to all citizens of our country and state. ”

— Shakuntala Bhalerao | SATHI

Despite being a huge relief implementation of state's decision to audit medical bills was lax

The Pimpri-Chinchwad Municipal Corporation, after auditing 2,700 bills, found that 76 out of 132 hospitals have charged an excess of Rs 6.44 crore to patients³.

According to the information given in the budget session of March 2022, out of 68,651 applications received by the government for audit, 58,631 applications were completed. And 35 crore 72 lakh 49 thousand 473 rupees of additional bills have been returned.

These figures show that the government audited additional bills of hospitals as an action

on complaints or as a pre-audit. And it also shows how large the amount of extra bills were. But the biggest flaw in the audit was that the process was limited to Mumbai, Pune and similar big cities. Because people were alerted by getting information on rate capping, instances of overcharging were coming to limelight very frequently. However, especially during the second wave, it was difficult for people to get beds at the taluka and district level, and they had no choice but to bow to the dictates of the hospitals.

³ <https://indianexpress.com/article/cities/pune/pcmc-committee-orders-76-private-hospitals-to-return-rs-6-44-crore-for-overcharging-covid-patients-7359639/>





A picture would have been different if the very welcome decision on rate capping was well publicised across the entire state. For this, two things should have been done by the government.

Firstly, information about standard rates did not reach the public. The government needed to disseminate information about its rate-capping orders and rules to the public in a more effective manner. While messages about what should be done for safety from Covid were being projected far and wide, information about how to appeal against overcharged hospital bills in private hospitals was not disseminated to the public, let alone publicised. As a result, many patients at the taluks and village level were simply unaware of these rules. As a result, the number of people

coming forward to register their complaints remained limited. Had this information been given to the patients, ordinary people and voluntary organisations it would have had a different impact.

Secondly, the audit team should have had a person from the medical department.

As there was a need to audit the bills of hospitals, as a prerequisite audit team needed people with at least minimum medical knowledge and technical aspect of hospital billing procedures. However, government-appointed audit teams often lacked such technical competence. As a result, in many instances, audit teams accepted private hospitals' justification about the excess bill as it is, even when there was a scope to probe these bills.

My husband passed away, my in-laws broke off relations with me, and the hospital added to my troubles.

In May, my husband's health deteriorated significantly, and we made every possible effort to save him, but unfortunately, he passed away. With two young children, I now find myself in debt and unsure how to manage everything alone. Since my husband's passing, I have been troubled by my in-laws. Furthermore, the hospital not only overcharged us but also gave different bills to us and the audit authority. When I realised this was nothing less than cheating; I filed a complaint for auditing the medical bill. However, the hospital bill did not have a hospital stamp, so the audit committee asked me to get it stamped. Despite my fear of returning to the hospital, I went there anyway. The doctors were angry with me for filing a complaint. Ideally, the audit committee, as they had authority, should have asked the hospital to stamp the bill instead of putting the onus on the patient to do so.

Nonetheless, I got the hospital bills stamped, which was an emotionally draining process. Finally, the audit committee audited my bill, and the hospital was asked to return the excess amount of 12,000 rupees. I received the amount within a couple of days.

The audit process was challenging. However, officials from the health department played a crucial role in auditing overcharged hospital bills and ensuring that patients were refunded in a timely manner. Mahatma Jyotirao Phule Jan Arogya Yojana's Chief Executive Officer, Ahmednagar, Solapur, Aurangabad, Nashik, and Pune district collectors, Civil Surgeons office, as well as the health and revenue departments at the taluka level actively participated in this process. In certain districts, officials made special and innovative efforts to ensure that patients received fair compensation.

Audit follow-up

As decided in the meeting with the Health Minister, SATHI had expeditiously completed collection of complaints forms.

From October 29 to November 30, 2021, 462 complaint applications were collected and submitted to the state government, followed by another 18 applications submitted in January 2022. A total of 480 applications from various districts were submitted for audit. As decided in the meeting with the Health Minister, it was expected that the audit process and subsequent refund, wherever applicable, would take place in one month.

Meanwhile, to keep in touch with the complainants, SATHI team created four WhatsApp groups for four regions of Maharashtra: Marathwada, Vidarbha, Western Maharashtra, and North Maharashtra. Updates regarding audit-related information from the state government were regularly shared with complainants. Some people were curious about what was happening with their complaint application, while some were not very hopeful that it would not achieve anything.

Despite completing and submitting complaint forms in October 2021, until January 2022, there was no progress regarding audit. Depending on proactiveness of local authorities audit process got expedited, effectively pace of audit process differed from district to district. In some places, audit teams contacted complainants, and then there was a long gap. There were instances where complaints were settled unilaterally by talking to hospitals alone without even contacting complainants. Furthermore, there were instances where hospitals contacted complainants and intimidated them into withdrawing complaints.

SATHI approached Mahatma Jyotirao Phule Jan Arogya Yojana (MJPJAY) 's Chief Executive Officer to bring to his attention a significant delay in the audit process. Following this, a strict order was issued in a letter on 21st January 2022 to complete pending audit actions within seven days. To engage in district audits, SATHI focused on the five districts with the highest number of complaint applications: Nashik, Pune, Ahmednagar, Solapur, and Aurangabad. This district-level follow-up gave a real twist to the audit process.





The hospital put pressure on Kishor Waghmare, but he didn't give up hope.

Kishor works as a professor on a contract basis, and even during the lockdown, he had to go to college. He was paid only half of his salary during the Covid pandemic, which was not enough to run his household with his wife and son. They both started working on crushing tamarinds at a rate of Rs.8/kilo to make ends meet. Their target was to crush 100 kg of tamarind weekly to get additional money to run the house.

During the second wave of Covid, Kishor lost his close friend, and fear of the virus increased. Despite taking precautions, Kishor, too, contracted the virus. Initially, he was treated by the local doctors and stayed away from his family in a one-room house. However, one day, his illness became severe. He needed oxygen, ambulance, etc. With the help of his family and

friends from the village, he finally got an oxygen bed. When the treatment cost increased, his friends started to raise funds, and the villagers, college, and students collected Rs. 91,000. On receiving the bill, he realised that he had been overcharged. He resolved to take back overcharged amount from the hospital and filed a complaint. The hospital refused to refund the excess bill, and the hospital owner called him and threatened not to pursue the overcharging complaint. As Kishor did not succumb to hospital tactics, the hospital responded by sending goons to harass and threaten him to drop the complaint. However, Kishor continued to pursue his complaint.

With the support of his community, from the house-village-taluka-district to the state-level organisation, the truth prevailed, and the hospital had to refund the excess 79 thousand rupees.

Innovative ways of circumventing rate capping order

As audit committees were settling complaints in several districts with a standard response of "no refund applicable.", activists decided to dig deeper into causes. Upon investigation, it was discovered while the government reserved 80% of beds for COVID patients and regulated their rates, hospitals were free to charge patients as they wished for the remaining 20% of beds. Some hospitals used this provision to covertly admit patients under the 20% category where rate regulation did not apply, despite having available beds under the 80% category.

Activists challenged this disregard of rate capping orders and demanded verification of whether the hospital had beds available under the 80% category at the time of the patient's admission. They pointed out that this information was available on city-level dashboards and overseen by the Civil Surgeon and the Municipal corporation responsible for collecting data.

Using the available data on bed availability for a particular date made it easier to verify hospitals' claims that they had no availability under the 80% category and had to admit the patient under the 20% category.



I am a farmer with modest resources for living. Hospitals overcharged me, it was proven in the audit, and I got excess amount refunded. Thanks to your guidance and continuous support, I was able to get the bill refunded.



— Vishal Kumbharkar | One of the complainant



I helped patients in Nagar district file their applications. We sent 75 complaint forms from here. However, after filing a complaint, there was pressure from the hospitals, causing some to withdraw their complaints and settle through compromise. Despite these challenges, some patients remained firm and did not succumb to the pressure.

We faced many difficulties during this process and had to follow up at every stage. Even after the audit and refund approval, some patients have not received their refunds. The major hospitals within the municipal limits strongly opposed the audit and did not cooperate with our team at all.



— **Karbhari Garad** | Social Worker of the Corona Single Women Rehabilitation Committee in Nevasa Taluka, Ahmednagar

Highlights of District-Wise Audit Process

Ahmednagar

On February 9, 2022, a meeting was held in Ahmednagar in the presence of Deputy District Magistrate. Along with the complainants whose applications were pending, those whose complaints were settled by the audit committee with the remark "no refund applicable" were also present. Complainants who were informed that no refund is applicable, expressed their displeasure with the unilateral decision taken by the audit committees- primarily based on the hospital's version, and demanded that their complaints be reopened and the committee should hear them. The Deputy Collector herself verified some inflated bills and decided that even settled complaints would be heard again.

Nashik

On 11th February 2022, a meeting was held in the presence of District Surgeons (Civil Surgeons). The Medical Superintendent, and complainants from Nashik, were also present along with 11 auditors working in various talukas. The audit team expressed limitations in auditing medical bills as it requires some basic technical understanding of the sector. Most of the auditors had no previous experience working on medical bills. One of the auditors indicated, “if we had some training earlier, we would have been able to avoid certain mistakes we made in the audit process”.

The Civil Surgeon too, noticed this limitation and instructed Medical Superintendent to provide technical assistance. This resulted in complaints in Nashik getting resolved quickly and refunding process expedited.

In Nashik's Niphad taluka, the highest

number of patients (800) participated in the survey. In this small taluka, many (56) complaints were filed, which was unprecedented. Traditional reluctance amongst patients to seek answers and accountability from powerful private hospitals was much less in Niphad. This could be primarily attributed to the active participation of social and political workers and sensitive medical officers in the health system. The patients' strength increased due to social organisations. Govt. medical officers made the audit process transparent. The complainants and hospitals were called together, and representatives from the public health department, tahsildar, and BDO offices participated in the audit team. After the audit, 12 complaints were approved for refunds in a meeting. The hospitals immediately refunded patients. This became possible because of a powerful collective.



A hospital gave me a refund of Rs. 5,000. I did not accept that. I firmly asked the health officer- are you giving us chocolates or bribing us? Do you think we have come here for Rs. 5000? On the contrary, I will donate Rs 5000 to the hospital if the hospital is running short of money. This hospital overcharged me in violation of government rules; they should return the excess amount. After this, the government officials did an audit and a total refund of Rs 14200 was credited to my account within an hour. Everyone should speak up; then only there is a possibility of something changing”.



— Dhairyasheel Rajebhosale | Complainant.



Solapur

At the behest of activists, Collector Solapur organized a meeting on March 10, 2022, to discuss the slow pace of the audit in the district. This meeting gave a sense that the delay was intentional, and he instructed all tehsildars to expedite the audit. This had the desired effect, and the audit process quickly began.

A government officer of the Solapur Municipal Corporation prepared a detailed list of violations of government rules that were evident in complaints that he received. He recorded all the details of what happened, what should have happened, and how overcharging took place. He noticed that the medicine bill was too high in one hospital bill. When he compared the drug rates between the hospital and even the MRP (market rate), it was evident that the hospital had given an inflated bill for medicines. He settled the complaint by instructing the hospital to return the excess amount.

Going beyond bureaucratic silos, instances like this example of an officer from Solapur are not just important but also help in building the confidence of complainants that their legitimate grievances would be addressed.

Aurangabad

On March 11, 2022, during a meeting with activists, the responsible officer for the audit showed that the audit process in the district was complete and that some complainants had already received compensation. However, upon closer scrutiny, it became evident that many complaints documented in the survey were still unresolved. During this meeting, it was decided to audit all pending complaints and invite private hospital representatives to participate. Notably, the medical officers requested technical assistance from SATHI to conduct the audit. After receiving technical assistance, they thoroughly audited bills and noted several mistakes. In some instances, the bills given to patients and bills given to the audit committee for scrutiny were different. One hospital charged government rates for the first five days for COVID patients and then charged their regular rates until discharge, which was the correct approach for COVID patients. If the word discount was used in the medical bill, the audit team asked hospitals to explain what was included under the discount. Some hospitals charged patients government rates for the first five days of admission, but after five days, they charged their usual rates. The audit committee objected to this and insisted that from the day of admission until discharge, the patient should be considered a COVID patient. During the two-day audit of 20 complaints, in 10 cases, it was noticed that patients were overcharged, and the audit committee instructed hospitals to return the excess amount to patients.



3856 deaths have occurred due to Covid-19 in Aurangabad district. We were only able to reach a few of them. We filed 36 complaint forms from the district, out of which 8 people received cheques. However, some hospitals are still not refunding patients after receiving two notices. Nevertheless, it is a positive development that people are now aware that they can file a complaint against the hospital if they are overcharged. I received a few calls from people who were also interested in filing their complaints as their bills were also high. It is important to spread awareness among the people.



— Ambadas Kanade | Renuka Multipurpose Charitable Organization and Corona Single Women Rehabilitation Committee, Gangapur, Aurangabad



Current status of refund of additional bills after audit (July 7, 2022)

Number of complainants who received refunds
63

Total amount refunded
Rs. 16,50,191/-
(16 lakh 50 thousand 191 rupees)



Amended Maharashtra Nursing Home Registration Rules (MNHRA), January 2021, clearly state that hospitals should prominently display charges for 15 essential services in the hospital. This needs to be publicized and implemented on an urgent basis. If this happens, there will be at least some deterrence against overcharging patients.

- Dr. Dhananjay Kakade | Director- SATHI

What does an audit of medical bills accomplish?

The scale and extent of the problem

It was not possible to hold face-to-face meetings during the COVID-19 pandemic, so the activists gathered information over the phone or from families in the nearby areas. Activists helped people in filling up the survey form and initial scrutiny of documents. It was startling to see number of overcharging instances in such a short time, and certainly what we dealt with was tip of the iceberg, as there could be many such instances far and wide in every part of the state. Additionally, assumption that profiteering tendencies are predominantly seen in large corporate hospitals, we can now certainly say that this is equally witnessed in smaller cities too.

Patients and their families are agencies who demanded accountability

Recovering excess amount from hospitals, though is important it is not an alternative to develop sustained discourse on patients' rights and regulation of the private health sector. Many "voiceless" people- like women who lost sole breadwinner of the family, who suffered at the hands of private hospitals and borne the burden of exorbitant bills, came together and demanded accountability is vitally important.

Auditing the audit process

There is inherent danger of audit process of this kind getting completely bureaucratized. However, this audit process was different, as it was participatory truly. As such, audit of private hospital bills is a uniquely innovative approach that is perhaps not explored until now. This entire policy process was insightful, showing how active collaboration between civil society organizations, community members and people government officials can work together.



The audit process has emerged as an effective and efficient tool to curb overcharging in private hospitals. in private hospitals against covid patient fraud and as a method of justice for patients. At present there is no concrete law to control and regulate private hospitals in the state. Audit process should be implemented regularly to protect patients' rights.

- Kajal Jain | Health Rights Activist



Curb on profiteering

It is unfair to caste all private hospitals as profiteers; such sweeping generalisation is avoidable. However, it is a time to reckon that COVID irrefutably demonstrated that overcharging, non-transparency in bills, inadequate information patients and relatives are deeply protracted issues and unless curbed, will come to the fore in the most harmful form often. What was witnessed in Maharashtra is a unique complementarity of legal provisions, social awareness and community action.

“Regulation of private health system is a long pending issue in Maharashtra. Since 2014, three successive governments have failed to implement the prepared draft of the Medical Establishments Act. Had such an Act with its rate control provisions been enacted before the Covid pandemic, rate control during the Covid era would have been far more effective. Now, the experience of Covid has shown the need for a comprehensive law to control private hospitals. Private doctors and clinics, who are already people-oriented and treat scientifically, will certainly welcome this law.”

- Dr. Abhay Shukla | Jan Arogya Abhiyan.





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