

**CM-3252-54-LPA-2025 in/and
LPA-1326-2025**

2025:PHHC:061886-DB



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**CM-3252-54-LPA-2025 in/and
LPA-1326-2025**

Date of Decision: May 07, 2025

Neelam Hospital Super-Speciality Health CareAppellant

Versus

State of Punjab and others Respondents

**CORAM:- HON'BLE MRS. JUSTICE LISA GILL
HON'BLE MRS. JUSTICE SUDEEPTI SHARMA**

Present: Mr. Sahil Khunger, Advocate for the appellant.

Mr. R.S. Pandher, Addl. AG, Punjab.

LISA GILL, J.

CM Nos. 3252-53-LPA-2025

1. Heard learned counsel for parties.
2. For reasons mentioned in the applications as well as arguments addressed, delay of 177 days in re-filing and 45 days in filing the appeal is condoned.
3. Applications are, accordingly, disposed of.

LPA-1326-2025

1. Prayer in this appeal is for setting aside order dated 10.07.2024 passed by the learned Single bench whereby CWP-13428-2022 filed by present appellant/writ petitioner has been dismissed.

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2. CWP-13428-2022 was filed by writ petitioner for setting aside order dated 25.05.2022 issued by respondent No. 3 whereby petitioner – Hospital was directed to pay sum of Rs.1,92,680/- to respondent No. 4. Appellant also sought setting aside report of Committee dated 21.09.2021.

3. Brief facts necessary for adjudication of the matter are that respondent No. 4 submitted a complaint against appellant/writ petitioner namely Neelam Hospital that during his treatment of COVID-19 from 05.05.2021 to 18.05.2021, excessive amount was charged from him for his treatment. It is alleged in complaint dated 19.06.2021 (Annexure P1) that sum of Rs.8,000/- per day was incorrectly charged for General Ward Type room not having even basic facility of call bell besides charging sum of Rs.14,000/- per day for treatment as well as Rs.90,000/- for medicines and Rs.58,772/- for laboratory tests. Deputy Commissioner, Patiala asked Civil Surgeon, Patiala to inquiry into allegations. It is to be noted at this stage that keeping in view the prevailing circumstances, respondent – State had issued notification dated 11.01.2021 for providing a cap on the amount which could be levied by private hospitals for treatment of COVID-19. Senior Medical Officer vide letter dated 05.08.2021 was then asked to inquire into the matter. Appellant – Hospital was given an opportunity to explain and set forth its explanation. Reply dated 15.09.2021 was submitted by appellant. Board/Committee of Doctors considered the complaint and concluded that there was over charging on the part of appellant. It is observed in the said report as under:-

“ In your reply, dated 15/9/21 filed by GM operations Neelam Hospital in which he has accepted that your Hospital has charged the patient dually for Covid package (that for inflated one) and semi private room both. The complainant remained admitted at your hospital from

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05/05/2021 to 18/05/2021 under level-2 moderate sickness for which as per notification of Govt. of Punjab defining rates (No. 8477 dated 11/01/2021, Rates applicable in this case for level-2 patient are Rs. 9000/- day for NABH accredited hospital for level-2 care applicable for you. So corrected bed charge should be

Rs. 9000 x 5 days = 45000/- (isolation ward)

Rs. 8000 x 8 days = 64000/- (semi private room)

Total = 109000/-

But you have charged Rs. 64000/- (for semi private room) and Rs. 1,82,000/- (@ Rs.14,000/- x13 days) simultaneously which is clear violation of guidelines and clear cut case of overcharging as hospital cannot charge for level-3 slab package for patient admitted in private room. So in this case Neelam Hospital had charged the patient Rs.1,37,000/- beyond and above the approved rates explained above.

In point No. 5, you have accepted that you have charged for antibiotics beyond the package price which is against the policy of Govt. of Punjab for price capping and treatment protocol both. So, your hospital must also refund the amount charged for medicines except Remdesvir which amounts to Rs.55,680/.

In total in this case your hospital has been found guilty and violating the guidelines and you are hereby instructed to refund the above said amount failing which legal action will be taken against you.

So your hospital is being instructed to refund amount Rs.1,37,000/- and Rs. 55,680/- = Rs.1,92,680/- to the complainant who has filed the complaint with under signatory.”

4. Aggrieved therefrom, CWP-13428-2022 was filed. Writ petition was dismissed by learned Single Bench finding no merit therein. It was observed that any demand raised beyond the rates as recommended by Paul Committee and as prescribed by the Government is to be refunded. Writ petitioner – Hospital, it was concluded, could not establish its entitlement to charges over and above the

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amount prescribed by the Government on the basis of Paul Committee report. Aggrieved of order dated 10.07.2024 passed by learned Single Bench, this appeal has been filed.

5. Learned counsel for appellant vehemently argues that impugned order has been incorrectly passed. It is submitted that various clarifications had been sought by authorities from appellant on receipt of complaint. Succinct clarification and explanation was given but same was not even taken in consideration by the Committee while passing report dated 21.09.2021 (Annexure P9). In fact as per notification dated 11.01.2021, no extra charge had been levied therefore, there is no amount which is to be refunded to respondent No. 4. It is submitted that Committee/Board of Doctors had overlooked the fact that patient was admitted as Level 2 patient. Higher level of conservative care was required to be given to him. He was charged extra only for the service which was not covered within notification dated 11.01.2021. Antibiotic medicines are exclusions in the Policy and not covered thereunder. Explanation given by appellant in its reply(ies) dated 13.08.2021, 15.09.2021, 25.10.2021 and 06.12.2021 has not been considered in the correct perspective. It is, thus, prayed that this appeal be allowed and impugned order dated 10.07.2024 be set aside.

6. Learned counsel for State, on advance notice, refutes the arguments as raised on behalf of appellant and submits that report dated 21.09.2021 is correct and was submitted after considering the complete conspectus of fact. Dismissal of appeal is sought.

7. We heard learned counsel for parties and have perused the file with their able assistance.

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8. Learned counsel for appellant strenuously relied upon notification dated 11.01.2021 issued by Government of Punjab, Department of Health and Family Welfare in respect to capping of treatment charges for self reporting COVID-19 patients, availing treatment at Private Hospitals/Nursing Homes/Clinics on their own on payment basis by them. Relevant portion thereof reads as under:-

“I. The approved rates are applicable for isolation wards only. For special isolation rooms patient may be charged maximum per day per patient Rs.4000/- over and above the private room charges of the hospital.

II. For the patients with an insurance cover, any rates determined between the hospital and the TPA, insurance Company, Corporate employee shall apply.

PART-1

The private Hospitals/Institutions shall charge maximum per day package rates for COVID related treatments for self reporting patients in Punjab under various categories going on their own to private Hospitals/Institutes. The per day approved rates for Isolation beds, HDU and ICU beds respectively are as below:-

Category of hospitals	Moderate sickness	Severe sickness	Very severe sickness
	ISOLATION BEDS Including supportive care and oxygen	ICU <u>without</u> need for ventilator (HDU)*	ICU <u>with</u> ventilator care (invasive/non invasive)
All Private Medical Colleges/Private Institutes with teaching program (DNB etc.)	10,000/- (includes cost of PPE Rs. 1200/-)	15,000/- (includes cost of PPE Rs. 2000/-)	18,000/- (includes cost of PPE Rs. 2000/-)
NABH accredited Hospitals, Private	9,000/- (includes cost of PPE Rs. 1200/-)	14,000/- (includes cost	16,500/- (includes cost of PPE Rs. 2000/-)

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Medical Colleges without Post-graduation courses/DNB		of PPE Rs. 2000/-)	
Non-NABH accredited Hospitals	8,000/- (includes cost of PPE Rs. 1200/-)	13,000/- (includes cost of PPE Rs. 2000/-)	15,000/- (includes cost of PPE Rs. 2000/-)

*Patients on HNFC may be charged Rs.2000/- per day over and above the rates of oxygen supported bed.

1. The hospitals would follow the National/State guidelines on admission and management protocols of COVID-19 patients.
2. The rates for private hospitals beds would be all inclusive as a package. This will include, but not limited to: bed, food and other amenities, monitoring.. nursing care, doctors' visits/consults, investigations including imaging, treatment as per the protocol for COVID-19 care and standard care for co-morbidities, oxygen, blood transfusion etc.
3. The package rates would include costs of medical care of underlying co-morbid conditions including supportive care and cost of medications thereof, for the duration of care for COVID. Since many of the COVID patients have conditions such as hypertension, diabetes, cardiovascular problems etc., the charges for medical care of such co-morbidities will be a part of the package. Emergency Interventions required for co-morbid conditions like CAD would be charged extra. Package would include short term haemodialysis (one dialysis) as a part of acute care during the current admissions. Patient requiring more dialysis due to AKI should be charged as per pre-fixed rates after mutual agreement. A patient already on maintenance dialysis (CKD) be charged as per pre-fixed rates after mutual agreement. CRRT if indicated to be charged as pre-fixed rates after mutual agreement and to be justified. The cost of CT Chest may be charged as per notification of Government dated 19.11.2020 (copy attached)
4. The rates would apply to standard care of COVID-19 patients as per the National/State Guidelines. The drugs like Tocilizumab or Remdesvir etc. are excluded from the package and to be charged as per MRP. These drugs to be given to the patients after expert review. Standard management of Co-morbidities would be covered.

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5. The charges will not include the cost of COVID-19 diagnostic test(s) as well as certain specific tests like IL6 if needed, is excluded.”
9. Perusal of report dated 21.09.2021 of Board/Committee of Doctors read in conjunction with order dated 11.01.2021 clearly negates the allegation that appellant has not indulged in overcharging. In the given factual matrix, we do not find any illegality or infirmity in impugned order dated 10.07.2024 whereby it has been held that appellant is liable to refund excess amount charged by it.
10. No other argument was addressed.
11. Appeal is, accordingly, dismissed.
12. Pending application(s), if any, stand(s) disposed of.

**(LISA GILL)
JUDGE**

**(SUDEEPTI SHARMA)
JUDGE**

May 07, 2025
Rts

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