

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3309  
ANSWERED ON:13.08.2010  
SERVICE CHARGE ON HEALTH INSURANCE  
Ananth Kumar Shri

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has introduced a service charge on health insurance claims made through the cashless facility; and
- (b) if so, the details thereof, the reasons therefor alongwith the beneficiaries likely to be affected from introduction of such service charge?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) & (b): No Service Charge has been imposed by the Public Sector Insurance Companies on health insurance claims settled through cashless facility. However, as per the provisions of the Finance Act, 2010, Service Tax of 10.3% has been made applicable w.e.f. 01-07-2010 on all payments to hospitals, nursing homes, multispeciality clinics where payment is made directly by the insurance companies on behalf of a person covered under health insurance policies by offering cashless facility.