Report of the
Comptroller and Auditor General of India

on

Implementation of Ex-servicemen Contributory Health Scheme

for the year ended March 2015

Union Government
(Defence Services-Army)
Report No. 51 of 2015
(Performance Audit)

CONTENTS

PREFACE

This Report of the Comptroller and Auditor General of India contains the results of review of 'Implementation of Ex Servicemen Contributory Health Scheme'. The period covered in the audit was 2012-13 to 2014-15.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India and the report has been prepared for submission to the President under Article 151 of the Constitution of India.

EXECUTIVE SUMMARY

1. Why did we do this performance audit?

Government of India, Ministry of Defence (MoD), in December 2002 sanctioned a health care scheme namely **"Ex-servicemen Contributory Health Scheme (ECHS)"** to cater for Medicare of all ex-servicemen (ESM) in receipt of pension, including disability and family pensioners, as also their dependents, to include wife/husband, legitimate children and wholly dependent parents.

The total strength of the ex-servicemen and their dependents across the country as of April 2015 was 47.24 lakh. The Scheme aims to provide healthcare on cashless basis to all beneficiaries as applicable in Central Government Health Scheme (CGHS) through a network of ECHS Polyclinics, Service hospitals and private empanelled/Government hospitals spread across the country. The Scheme came into effect from 1 April 2003.

2. What does this performance audit cover?

We took up the performance audit of the Scheme for the period from 2012-13 to 2014-15 to obtain reasonable assurance that:

- The ECHS was able to fulfill its mandated aims and objectives;
- The Scheme was being run efficiently and adequate manpower, infrastructure and equipment were available with the ECHS as per authorisation;
- The referral mechanism in place was adequate to ensure that inflated bills/unauthorised payments were not made to empanelled hospitals;
- Provisioning and issue of medicines to polyclinics are made as per requirement;
- The Online bill processing by the Bill Processing Agency was effective, efficient and the integrity of the data of the Bill processing system was ensured.

3 Key findings

Irregularity in agreement for smart cards

In contravention of the laid down provisions for the renewal/repeat orders, Central Organisation, ECHS renewed the agreement for supply of smart cards

for the ECHS beneficiaries for a period of five years, with the same firm with increased cost for which no sanction of the CFA was produced to Audit. No evidence was found with the Central Organisation to corroborate that the trend of Market price had been verified before renewal of the agreement.

(Paragraph 2.1.1)

Issue of ECHS Smart Cards to beneficiaries on chargeable basis

One-time contribution at the rates prescribed for CGHS pensioners was to be recovered from retiring service personnel to become members. No other charges were specified by the MoD to be recovered from retiring service personnel under the Scheme. Against spirit of this, the entire cost of smart cards was charged from the beneficiaries in addition to membership fees without the approval of the MoD.

(Paragraph 2.1.2)

Multiple enrollments of beneficiaries under ECHS

Comparison of data maintained by ECHS and M/s SITL disclosed that 7,431 cards were stated to be issued by ECHS in excess of total cards produced by M/s SITL resulting in extra payment of ₹6.69 lakh to the firm by ECHS.

(Paragraph 2.1.3)

Short supply of medicines to the polyclinics

The percentage of medicines not issued (NA) by the Armed Forces Medical Stores Depot (AFMSD) Mumbai against the indents of dependent polyclinics ranged from 63 to 76 *per cent*, whereas in case of AFMSD Delhi Cantt., the percentage of NA medicines ranged from 30 to 45 *per cent*. Thus, supply of medicines by the two AFMSDs to their dependent polyclinics was inadequate and led to huge deficiency of medicines in the polyclinics.

(Paragraph 2.3.4)

Non disposal of life expired medicines/drugs

As per guidelines issued by the Director General Armed Forces Medical Services, the vendor is liable to replace medicines lying unconsumed, if informed three months before date of expiry of shelf life of the medicine. However, AFMSD Delhi Cantt. and Polyclinic Lodhi Road were holding life expired medicines worth ₹73.44 lakh without its replacement/disposal, thus

defeating the very purpose of its procurement and consequential loss to the State.

(Paragraph 2.3.5)

Diversion of ECHS Funds/Medical Stores for service personnel by Service Hospitals

Government policy on allotment/expenditure of funds meant for ECHS provides that medical stores procured for ECHS should be accounted for separately and utilised for the benefit of members of ECHS. However, we noticed at Army Hospital Research & Referral (AHRR) Delhi Cantt. that separate accounting of medicines/drugs for ECHS beneficiaries had not been done and the funds/stores meant for the ECHS amounting to ₹40.78 crore were diverted/utilised for treatment of regular Service personnel.

(Paragraph 2.3.9)

Shortage/Deployment of Manpower with polyclinics

Against authorisation of 6,800 contractual manpower for polyclinics all over India, only 5,353 persons were in position as on 31 December 2014. Thus, there was a deficiency of 21 *per cent* of the manpower with the PCs, adversely affecting the proper medicare of the beneficiaries. Despite this the manpower employed and meant for PCs was irregularly being posted and utilised at Central Organisation and Regional Centres at Delhi.

(Paragraphs 2.4.2 & 2.4.3)

Deficiencies in raising of Emergency Information Report (EIR) by empanelled hospitals

In emergencies and life threatening conditions, the patients are permitted to be admitted to nearest empanelled hospital. In such circumstances the empanelled hospital/facility is required to inform the nearest polyclinic, within a period of 48 hours, regarding the particulars of patient and the nature of admission. We observed that empanelled hospitals were not following the above timeline in case of admission of beneficiary in emergency; and the EIR was delayed between three to 584 days which rendered the provision of emergency referral by nearest polyclinic redundant and led to issue of fake EIRs in some cases with a scope to private hospitals to manipulate their bills.

(Paragraph 2.5.3)

Raising of claims by two empanelled hospitals for the same patients during the overlapping period

Analysis of the claims data revealed that claims had been preferred by an empanelled hospital in respect of beneficiaries for the period under which that beneficiary was admitted for treatment in other empanelled hospital as "indoor patient". There were 64 such claims amounting ₹42.67 lakh which had also been approved and paid. The raising and payment of such claims in this manner revealed the absence of validation checks in the system for online bill processing by BPA.

(Paragraph 2.5.4)

Non- invoking of penal clause of MoA against defaulting hospitals

Despite specific mention in the MoA to provide cashless facility to the beneficiaries and not to indulge in unethical practices, the empanelled hospitals were violating the provisions, such as, over-charging from the ECHS beneficiaries, preferring claims for items already included in the package rates, refusal of cashless treatment, *etc.* However, no penal action had been initiated against defaulting hospitals.

(Paragraph 2.5.5)

Irregular payment towards unaccounted bills of empanelled hospitals

Unaccounted 4,986 manual bills of empanelled hospitals amounting to ₹23.61 crore were paid irregularly by SHQ (ECHS Cell) Delhi Cantt. We observed the following cases of double payments and also the absence of control in accounting which substantiates the audit finding:

- 22 bills (same number) amounting to ₹8.20 lakh, of empanelled hospitals, were admitted and paid twice by SHQ Delhi Cantt., through 44 paid vouchers amounting to ₹16.40 lakh, which resulted in double payment of ₹8.20 lakh.

- Empanelled hospitals raised 123 duplicate bills in respect of patients where the name, referral number, nature of ailment, period of treatment, amount claimed *etc.,* were the same. The SHQ Delhi Cantt. failed to detect the duplicate bills and paid additional amount of ₹23.18 lakh.

- No bank reconciliation statements were prepared and submitted to the PCDA, WC Chandigarh by Station HQ Delhi Cantt.

(Paragraph 2.6.1.1)

Overpayment due to non-adherence to MoA

Test check revealed overpayment of ₹3.51 crore to the empanelled hospitals on account of inflated bills in excess of authorized package rates (₹1.92 crore); non reduction of 10 *per cent* package rate for treatment in General ward (₹11.96 lakh); charging of higher accommodation rate from ECHS beneficiaries as compared to non-ECHS patients (₹26.78 lakh); higher procedure rates for Total Knee Replacements (Bilateral) as compared to non ECHS patients in one empanelled hospital alone (₹99.49 lakh) and non availing of 10 *per cent* rebate on oncology medicines by ECHS (₹20.55 lakh).

(Paragraph 2.6.1.2)

Provision for discount on medicines in MoA

As per the terms of the MoA between the ECHS and empanelled hospitals, the ECHS had paid cost of medicines supplied to in-patient beneficiaries at MRP, which was considerably higher than the local market rate. It was proved from the facts that polyclinics were procuring medicines at discount on MRP which ranged up to 35 *per cent*. Further, payment of cost of an injection to empanelled hospitals under RC Jalandhar at higher rates than the procurement cost of the same injection during the same period by MH Jalandhar resulted in extra expenditure of ₹89.53 lakh.

Apparently, there is sufficient scope for inclusion of provision in the MoA with empanelled hospitals for obtaining discount over MRP in medicines being issued by them to the ECHS beneficiaries, as cost of medicines formed 32 *per cent* of the medical treatment related payments made to empanelled hospitals (₹540 crore out of ₹1,702 crores).

(Paragraph 2.6.1.3)

Non-adherence of the time limit for payment of bills by BPA/CFA resulting in non availing of discount

In MoD's sanction for online bill processing a provision was made for obtaining discount of two *per cent* of amount payable to empanelled hospital, if the payments were made within 10 working days of receiving hard copy of bill or settlement of all queries by the hospital, whichever was later. We observed that stipulated time limit was not being adhered to in the bills processed by BPA and CFA. Due to taking more than 10 working days in processing and payment of bills individually as well as commonly by BPA, CFA and Paying Agency, the discount of two *per cent* amounting to ₹34.10 crore could not be availed.

(Paragraph 2.6.2.3)

Approval of payment to empanelled hospitals by CFA (ECHS) after rejection of the same by BPA

BPA had recommended 1,088 claims amounting to ₹1.16 crore for rejection. This was on account of claims being without valid referral, claims without mandatory documents, separate claims for items forming part of package, claims without pre and post procedure images, hospital not being empanelled for treatment and claims without necessary approval of SEMO. However, CFA (ECHS) had passed such claims against the BPA's recommendation without justification.

(Paragraph 2.6.2.4)

Incorrect room type entitlement in case of indoor treatment for ECHS beneficiaries

Payment of room charges at higher rates than entitlement of ECHS beneficiaries to the empanelled hospitals resulted in an overpayment of ₹90.43 lakh in 1,487 claims to the empanelled hospitals.

(Paragraph 2.6.2.7)

Non-development of audit module for post audit and inadequate post audit by PCsDA

CGDA, while concurring the case file of online bill processing by BPA, stated that BPA should agree for online concurrent audit along with system audit. The online bill processing commenced initially in five RCs from April 2012 was extended to all the 28 RCs from April 2015. However, the online post audit module has been implemented partially in only one PCDA. Further, the PCsDA/CsDA failed to carry out the post audit of the bills as per the laid down financial procedure.

(Paragraphs 2.6.2.10 & 2.6.2.11)

CHAPTER-I: INTRODUCTION

1.1 About the ECHS

Ministry of Defence (MoD) in December 2002 sanctioned a health care Scheme namely "Ex-servicemen Contributory Health Scheme (ECHS)" to cater for medicare of all ex-servicemen (ESM) in receipt of pension, including disability and family pension, as also their dependents to include wife/ husband, legitimate children and wholly dependent parents. The Scheme was sanctioned by the MoD in December 2002 and came into effect from 1 April 2003. The Scheme provided that the personnel retiring from 1 April 2003 onwards would compulsorily be the members. The total strength of the beneficiaries (ex-servicemen and their dependents) across the country as of April 2015 was 47.24 lakh. MoD initially sanctioned 227 Polyclinics (PCs) in December 2002 and sanctioned 199 additional PCs in October 2010, thereby taking the total number of sanctioned PCs to 426. As of March 2015, 414 PCs were functional.

The Scheme aimed to provide healthcare to all beneficiaries in the manner as applicable in Central Government Health Scheme (CGHS) through a network of ECHS polyclinics, Service hospitals, Government and private empanelled hospitals spread across the country. It was structured to provide cashless treatment for beneficiaries, who were issued life time Smart Cards[1] by the concerned Regional Centres (RCs), based on their entitlement, number of dependents *etc.*

1.2 Management structure of the Scheme

The Scheme was to be implemented by a project organisation with a three tiered structure. This comprises a Headquarters (Central Organisation) located at Delhi, headed by Managing Director (MD, ECHS) and 28 Regional Centres (RCs) each headed by a Director to oversee the functioning of the polyclinics, which in turn are headed by an Officer-in-Charge (OIC) employed on contractual basis. Army, Navy and Air Force are to provide manpower to administrative organisations at the Central Organisation and 28 RCs, from within their existing resources. The PCs are run by contractual manpower only.

[1]**Smart Card** is an IC Chip contact card with a microprocessor having memory of 16kb or 32 kb used for storing data of Ex-servicemen and dependents pertaining to their personal information, biometrics (finger prints), medical details of known drug allergy, medical history for chronic and surgery disease, health examination history, OPD records, Referral details, Hospital details, Emergency treatment details, Medicines issued log, Medical equipment issued and Photograph.

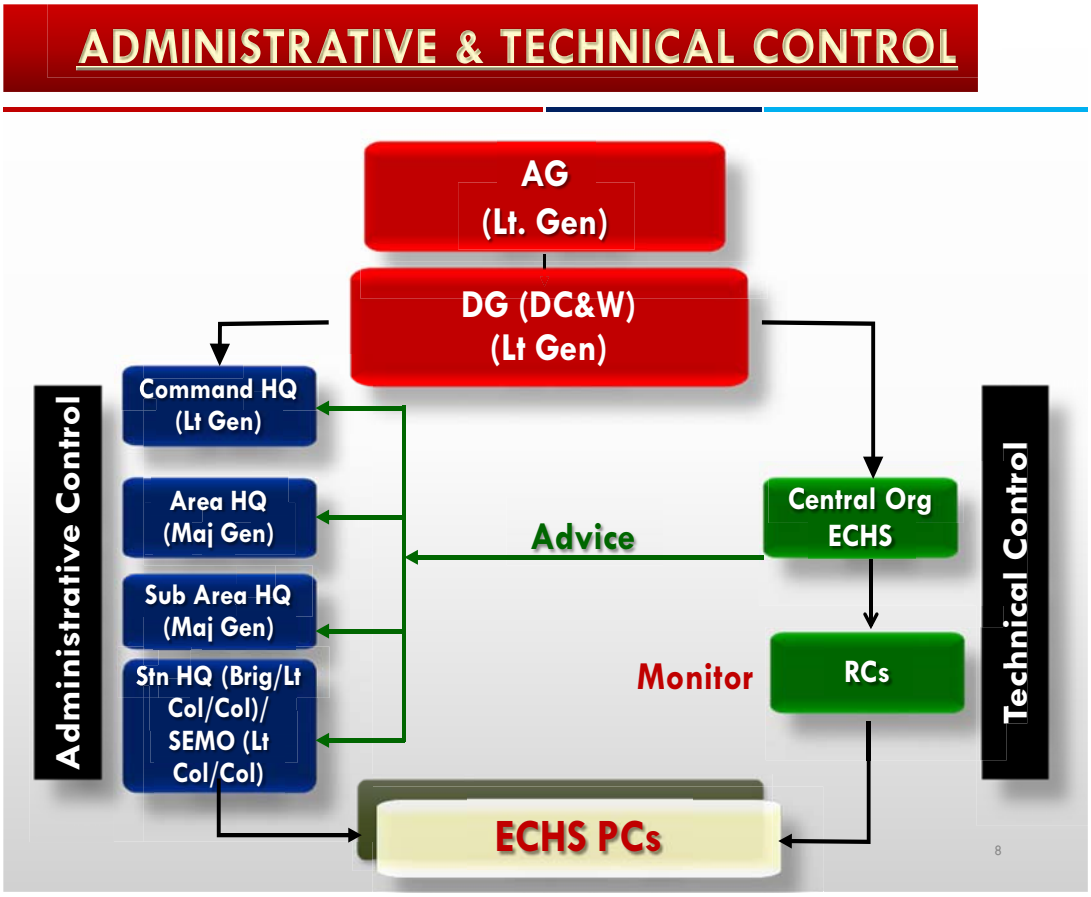
PCs are configured into five types as **'A', 'B', 'C', 'D'** and **'E'** based on the Ex-Servicemen (ESM) population and facilities desired thereto as shown below:

Type of PCs	Population of ESM	No. of PCs
A	Above 20000	19
B	Between 10000 and 20000	42
C	Between 5000 and 10000	78
D	Between 2500 and 5000	270
E (Mobile)	Below 2500	17

1.3 Administrative and Technical Control of the Scheme

Policy framework for the Scheme is laid down by the MoD and executive control is exercised by the Department of Ex-servicemen Welfare (ESW) under MoD. In the Army Headquarters, Administrative and Technical control is exercised by the Adjutant General as depicted in the **Chart-1** below**:**

Chart-1



Note: AG: Adjutant General, **DG (DC&W):** Director General of Discipline & Vigilance and Ceremonials & Welfare, **HQ:** Headquarters**, Stn:** Station**, SEMO:** Senior Executive Medical Officer (at ECHS Cell at Service Hospital)**, RCs:** Regional Centres, (ECHS)**, PCs:** Polyclinics**.**

The authority-wise responsibilities/functions under the Scheme are explained in **Annexure-I.**

1.4 Budget allotment and expenditure

The requirement of funds of Capital and Revenue nature for the ECHS is projected annually by the Central Organisation to the Ministry through Additional Director General (Financial Planning) at Army Headquarters. The Ministry accordingly allocates funds separately under Capital and Revenue heads of expenditure. Allocation under Capital head, *inter alia*, includes purchase of land, construction of buildings and procurement of medical equipment, *etc.* Revenue head of expenditure includes pay and allowances in terms of fees of the contractual staff which includes medical officers, medical specialists, technicians, other para-medical and non-medical staff, *etc*.

The overall allotment and expenditure of ECHS under Capital and Revenue heads of expenditure for the three years period 2012-13 to 2014-15 as selected in audit **(Paragraph 1.6 refers)**, is indicated in **Table-1** below:

Table-1: Allotment and expenditure under Capital and Revenue heads

(₹ in crore)

Type of expenditure	Expenditure Head	2012-13		2013-14		2014-15	
		Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure
Capital	Purchase of land	0.40	0.30	0.23	0.55	0.05	0.03
	Construction of building	3.40	3.08	4.40	3.88	5.01	5.06
	Medical equipment	1.63	0.45	7.82	6.48	0.05	1.52
	Total	**5.43**	**3.83**	**12.45**	**10.91**	**5.11**	**6.61**
Revenue	Pay & Allowance (Contractual Staff)	61.02	58.85	113.00	111.66	142.00	135.99
	Medical Store (Medicines/ consumables)	391.69	385.68	399.89	398.81	487.77	471.96
	Medical Treatment Related Expenditure (Payment to empanelled facilities)	975.24	966.93	1251.95	1248.24	1605.74	1604.68
	Transportation	0.82	0.73	1.05	0.90	1.35	1.29
	Others- IT, Misc. & Revenue	22.22	18.59	23.57	1.77	23.72	22.25
	Total	**1450.99**	**1430.78**	**1789.46**	**1761.38**	**2260.59**	**2236.17**

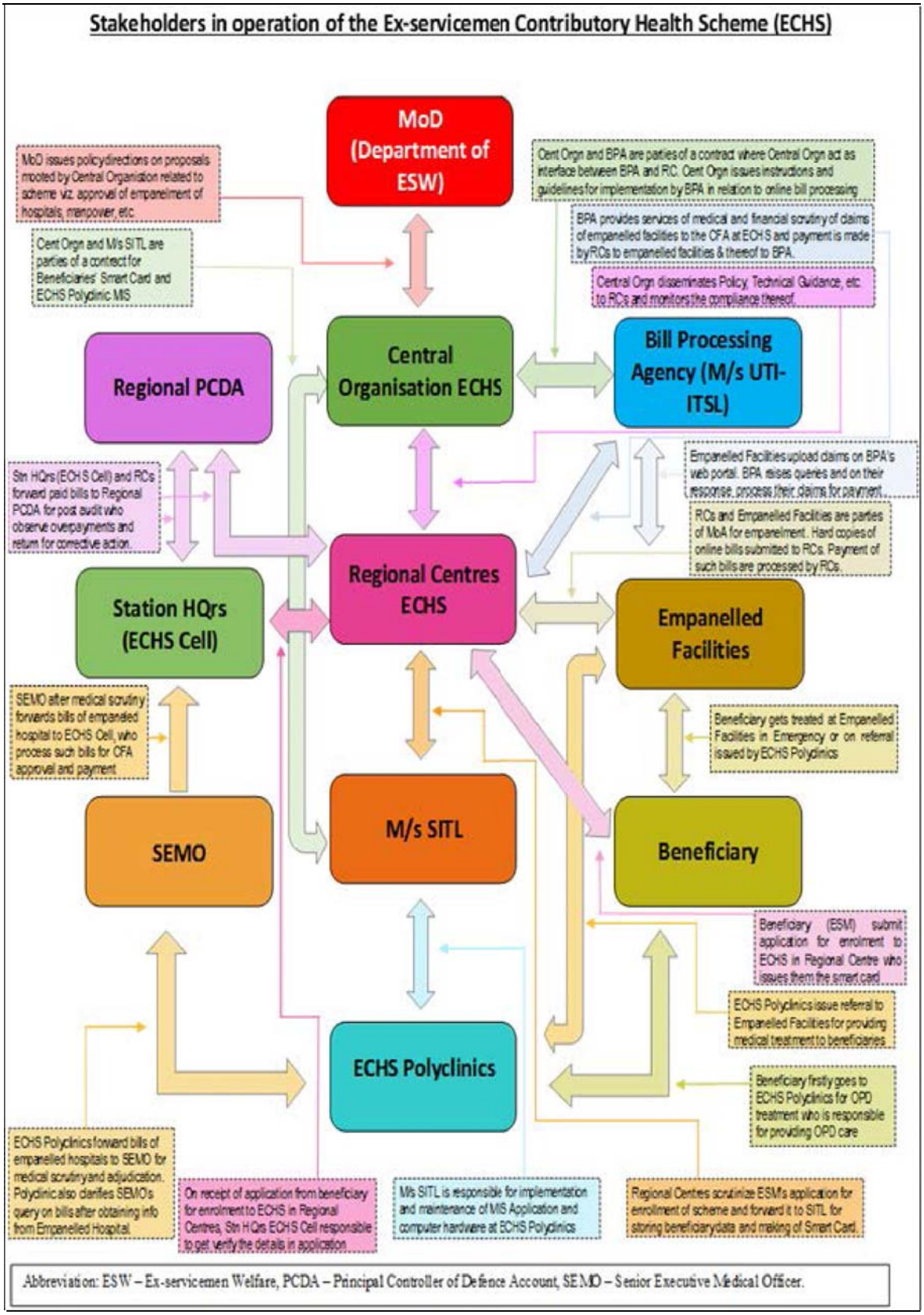
The above table shows that expenditure towards payment to empanelled facilities (hospitals/laboratories, *etc*.) ranged[2] from 68 *per cent* to 72 *per cent* of the total revenue expenditure during the years 2012-13 to 2014-15. This trend of expenditure reflects that the services envisaged to be provided under the Scheme are mainly dependent on outsourcing.

[2] **FY-2012-13**: ₹966.93 crore/₹1430.78 crore x 100 = **68%**,
FY-2013-14: ₹1248.24 crore/₹ 1761.38 crore x 100 = **71%**
FY-2014-15: ₹1604.68 crore/ ₹2236.17 crore x 100 = **72%**

1.5 Stake holders in operation of the ECHS

The Stake holders in operation of the ECHS are given in **Chart-2** below:

Chart-2



1.6 Scope of Audit and Audit Methodology

Performance Audit of the Scheme, covering the period 2012-13 to 2014-15 was carried out between December 2014 and April 2015. The units for audit were selected based on the criteria as shown in **Table-2** below:

Table-2: **Showing criteria for selection of units/formation for audit**

Units/ formation	Criteria for selection
PCsDA/CsDA	7[3](out of 19 PCsDA/CsDA) based on the highest expenditure booked on procurement of medicines/medical stores and the medical treatment related expenditure by PCsDA/CsDA.
RCs	10 RCs[4] (out of 28), including five manual* and five online** falling under the jurisdiction of selected PCsDA/ CsDA.
PCs	22 PCs[5] (11 each at Military and non-Military stations) out of 175 PCs falling under the above selected RCs. The PCs were selected according to different categories *viz*. A, B, C, D & E and situated at Military and non-Military stations.
SHQs (ECHS Cell)	20[6] covering the above selected 22 PCs.
Service Hospitals	15 Service hospitals[7] covering the 11 selected PCs at Military stations and also the local purchase of medicines for ECHS.
AFMSD	2[8] out of total 4 AFMSDs for central purchase of medicines/medical stores for ECHS.

Besides, (i) the Department of Ex-servicemen Welfare (ESW) under MoD, New Delhi (ii) Adjutant General's Branch and Director General of Discipline & Vigilance and Ceremonials & Welfare, in IHQ of MoD (Army) New Delhi (iii) Managing Director, Central Organisation, ECHS, Delhi Cantt. (iv) Controller General of Defence Accounts (CGDA), Delhi Cantt. and (v) Controller of Defence Accounts (CDA), Secunderabad (for audit of online

[3]**PCsDA/CsDA** at SC, Pune, CC, Lucknow, (Army) Meerut, Jabalpur, WC, Chandigarh, (SWC) Jaipur, NC, Jammu =**07.**

[4] **RCs** at Dehradun*(RC was made online w.e.f. December 2014), Ahmedabad*, Allahabad*, Hisar*, Jammu* (4 RCs were made online w.e.f. April 2015), Pune**, Trivandrum**, Chandimandir**, Delhi Cantt. (RC-I)** (4 RCs were made online w.e.f April 2012) and Jalandhar** (RC was made online w.e.f. April 2013) =**10**.

[5]**PCs** at Kolhapur, Satara, Pune, Trivandrum, Kollam, Ahmedabad, Lucknow, Raibareli, Varanasi, Mirzapur, Unnao, Dehradun, Chandigarh, Chandimandir, Ludhiana, Hisar, Charkhi Dadri, Abohar, Base Hospital Delhi Cantt, Lodhi Road New Delhi (including AFC New Delhi), BD Bari, Jammu=**22.**

[6]**ECHS Cell**, SHQ at Kolhapur, Pune, Trivandrum, Ahmedabad, Deolali, Ahmednagar, Jodhpur, Lucknow, Varanasi, Kanpur, Dehradun, Meerut, Jabalpur, Chandimandir, Ludhiana, Hisar, Jalandhar, Delhi Cantt., Jammu, BD Bari=**20.**

[7]**Service Hospitals** at Pune (CH), Trivandrum (MH), Ahmedabad (MH), Kirkee (MH), Pune (MH, CTC), Lucknow (CH), Varanasi (MH), Dehradun (MH), Meerut (MH), Jabalpur (MH), Chandimandir (CH), Hisar (MH), Delhi Cantt (Base Hospital), Army Hospital R&R Delhi Cantt., Jammu (MH)=**15.**

[8]**AFMSDs** at Delhi Cantt. and Mumbai=**02.**

post audit module only - as a pilot project for online post audit was implemented in this CDA) were also covered in audit. An Entry Conference was held on 19 January 2015 with the Secretary, ESW, MoD.

Central Organisation, ECHS implemented a Management Information System (MIS) *viz*. Polyclinic Information System at ECHS Polyclinics along with Smart Card issued to beneficiaries by M/s Score Information Technologies Limited (SITL), Kolkata from January 2004 and online processing of bills of empanelled hospitals and individuals by Bill Processing Agency (BPA) *i.e.* M/s UTI Infrastructure Technology and Services Limited (UTI-ITSL), Navi Mumbai from April 2012. Following data as shown below was provided by MD ECHS:

i. MIS Application Database (MIS Database) of 10 polyclinics[9].

ii. Card Production Database (Card Database).

iii. Claims Data of online processed bills for the period from April 2012 to March 2013 in respect of five Regional Centres[10] and for the period from April 2013 to March 2015 in respect of additional five Regional Centres.[11]

The above data were analysed in audit by using CAATS (Computer Assisted Audit Techniques) *viz*. MS-Access, Tableau and IDEA.

A preliminary draft report was issued to the Secretary, ESW, MoD and MD, ECHS in June 2015 and a request for arranging an Exit conference was made. MD, ECHS furnished reply to the preliminary draft report in August 2015. Subsequently, a draft report, duly incorporating the reply of MD, ECHS was issued to the Secretary, MoD, Secretary, ESW and MD, ECHS in August 2015. MD, ECHS also furnished reply to the draft report in October 2015, which has also been incorporated in the draft report. Despite the request for Exit conference, the same was not held. Ministry's reply to the draft report was also awaited (November 2015).

1.7 Audit Objectives

The Performance Audit was conducted with a view to assess whether:

- The ECHS was able to fulfill its mandated aims and objectives;

[9] **10 polyclinics** at Delhi Cantt., Chandigarh, Dehradun, Jammu, Lucknow, Ludhiana, Pune, Satara, Trivandurm and Varanasi.

[10] **Five Regional Centres** initially proceeded with online bill processing at Delhi, Chandimandir , Pune, Trivandrum and Secunderabad.

[11] **Five Regional Centres** proceeded with online bill processing in second phase at Jalandhar, Jaipur, Lucknow, Kolkata and Kochi.

- The Scheme was being run efficiently and adequate manpower, infrastructure and equipment was available with the ECHS as per authorisation;
- The referrals to empanelled hospitals were as per the laid down norms and the mechanism in place was adequate to ensure that inflated bills/unauthorised payments were not made to these hospitals;
- Provisioning and issue of medicines to polyclinics as per requirement were ensured;
- The Online Bill processing by the Bill Processing Agency, which was introduced to overcome the deficiencies relating to pendency of outstanding bills due to manual processing, was effective, efficient and the integrity of the data of the Bill processing system was ensured.

1.8 Audit Criteria

Audit criteria for evaluation of the performance of the Scheme was derived from the MoD's orders relating to sanction of the Scheme, procedures for payment and reimbursement of medical expenses under ECHS, sanction for scales of medical equipment for ECHS polyclinics, financial procedure for ECHS, orders issued by the Ministry of Health and Family Welfare (MoH&FW) on rates of medical treatment packages, medical treatments *etc.,* Memorandum of Agreement (MoA) with empanelled Hospitals/Diagnostic Centres/Labs, *etc.*, procedure relating to contractual employment of staff at ECHS polyclinics, Delegation of Financial Powers for procurement under ECHS, MoD sanction relating to Online Bill processing *etc.*

1.9 Acknowledgment

We acknowledge the cooperation of officers and staff of the Department of Ex-servicemen Welfare under MoD, Adjutant General's Branch in IHQ of MoD (Army), MD, ECHS, DGAFMS, CGDA and the offices thereunder.

CHAPTER-II: DEFICIENCIES IN THE IMPLEMENTATION OF THE SCHEME

2.1 Enrollment of beneficiaries

As per the concept of the Scheme sanctioned by the Ministry in December 2002, all Defence personnel retiring with effect from 1 April 2003 onwards were required to become compulsorily members of the ECHS. Membership Form was to be submitted by the applicant five to six months prior to the date of retirement. Based on the rank structure and the entitlements as authorized by the concerned Record Offices, the beneficiaries are issued life time smart cards, for treatment under the Scheme, by the concerned Regional Centres, ECHS.

During the course of review, we observed deficiencies in the process of enrollment of beneficiaries as discussed below:

2.1.1 Irregularity in agreement for smart cards

The responsibility of preparing the smart cards was decided to be outsourced by the Central Organisation, ECHS. Accordingly, in April 2003, MD, ECHS invited open tenders to implement a turnkey solution for management of the Scheme at Polyclinics, Regional Centres, Station Headquarters and the Central Organisation, ECHS. The main scope of the agreement was to provide smart cards for the beneficiaries with all necessary software and smart card related peripherals including computer hardware. The agreement was signed between the MD ECHS and M/s Score Information Technologies Limited (SITL) in January 2004 for an amount of ₹89.99 per card, valid for a period of five years, which was later extended by one more year.

For repetition of orders, Defence Procurement Manual (DPM) stipulates that (i) it should be ensured that the cost and terms and conditions of the contract are the same (ii) there is no downward trend in the price of the item and (iii) the requirement of the stores are of identical nature/specification, nomenclature, *etc.* Further as per the DPM, for any waiver against the provision of the manual, the approval of the Raksha Mantri is required.

We observed that the Central Organization, ECHS renewed the agreement for provision of smart cards with the same firm for a period of five years in May 2010 but did not specifically comply with the laid down stipulations. The types of violations are enumerated as follows:

- Renewal of agreement, which was to be done at the same cost, was however carried out at an enhanced cost of ₹135 per card against the existing cost of ₹89.99.

- Fresh RFP/open tender was not issued though the specification of the cards had significantly changed *viz.* switching over from stand-alone MIS application to web-based application connected through LAN in a polyclinic, increase in storage memory of card from 16kb to 32kb; and increase in periodicity of training to manpower at RCs from annual to biannual.

- There was no evidence available to establish that MD ECHS had done any market survey to verify the prevailing price.

Further, no sanction of the Competent Financial Authority (CFA) for renewal of contract was found in the documents produced to Audit.

While endorsing the audit point, MD ECHS however stated (October 2015) that the tangibles like card/hardware were enumerated in the contract but the significant intangible deliverables accrued by the system like uninterrupted continuation of the Scheme and prevention of fraud and misuse could not be quantified. Increase in rates was justified by stating the additional facilities like up-gradation of the software and hardware *etc.* were being provided.

The fact remains that as the enhanced specification warranted issue of fresh Request for proposal (RFP), renewal of the agreement without inviting fresh rates through open tenders should have been done with the approval of Raksha Mantri according to the provisions of DPM.

2.1.2 Issue of Smart Cards to beneficiaries on chargeable basis

MoD while sanctioning the Scheme, in December 2002, specified that one-time contribution at the rates prescribed for CGHS pensioners would be recovered from retiring service personnel to become members. No other charges were specified to be recovered from retiring service personnel under the Scheme. This was also in line with the practice followed in CGHS.

We, however, observed that in addition to membership fees, the cost of smart cards was also charged from the beneficiaries, by MD ECHS without the approval of the MoD. From January 2004 to May 2010, the beneficiaries were charged at a rate of ₹89.99 per card which was enhanced to ₹135 from June 2010 onwards. Accordingly, for 42,00,450 cards manufactured between 2004

and 2015 (February 2015) an amount of ₹47.84 crore, collected[12] from the beneficiaries, was paid to the firm.

Audit enquired the reasons for charging the beneficiaries which was against the spirit of the Scheme and specifically asked for the documents where the approval of MoD, if any, had been taken by MD ECHS, as the proposal involved substantial financial implications. While no such documents were made available, MD ECHS replied (October 2015) that ECHS is self-sustaining, thereby charging ESM for the cost of the smart card obviated additional burden on the State exchequer. Moreover, it was also informed that the Ministry had ruled that no funds would be paid for the cards by the Government.

The fact however remains that the justification given by MD ECHS was against the spirit of the sanction issued by the Ministry, which stipulated that only one time membership charges be recovered from the beneficiaries, as in CGHS. This also puts the ECHS beneficiaries to disadvantage *vis-a-vis* the CGHS beneficiaries. Further the assertion of MD ECHS that the Ministry had ruled not to provide funds for the cards, could not be validated as the documents pertaining to this decision of the Ministry were not provided, despite repeated requests. Further, the stand of the MD that the ECHS is self sustaining is incorrect as the Scheme is being funded by the Government and the contribution by the beneficiary is nominal.

2.1.3 Multiple enrollments of beneficiaries under the Scheme

As per the details furnished by MD ECHS, 42,00,450 cards were supplied by M/s SITL from 2004-05 to 2014-15 (up to February 2015). However, from the card production data maintained by M/s SITL and made available to Audit by MD ECHS, the total cards manufactured by the firm, as of March 2015, was only 41,93,019. The anomaly in these figures indicate that ECHS was holding 7,431 cards in excess of those held in the data maintained by M/s SITL. Holding and circulation of excess cards not only posed a risk of possible misuse but also resulted in extra payment of ₹6.69 lakh to the firm on this account.

The possibility of misuse of the cards held in excess of the data maintained by M/s SITL was further examined in audit. We observed that despite the design of card adopted by ECHS, wherein each pensioner along with the dependent members were assigned a unique card ID, 860 ESM were enrolled more than once under 1,725 unique card IDs. These cards, though issued in the name of one ESM were being used separately at different hospitals, even on the same

[12] The applicant submits demand draft for the requisite amount along with his application at the Regional Centre, which in turn remits it to SITL on receipt of cards.

particular day. It was also seen from the claims data of online bills of 10 selected RCs that the empanelled hospitals had raised 1,449 claims in respect of 169 ESM who were issued more than one card, with multiple card IDs. Out of those 169 ESM, 26 had used both cards simultaneously for self and their dependents. Illustrative cases depicting usage of more than one card by one ESM on same date are shown in **Table-3** below:

Table-3: Claims raised for beneficiaries using two cards on same day

Region	Claim ID	Card_ID	Name of ESM	Patient's Name	Relation with ESM	Date of treatment	Hospital Name
Delhi	988105	DL0017944	Kanwal Jeet Singh	Kanwal Jeet Singh	Self	15-10-2013	Kailash Hospital & Heart Institute
Delhi	994996	DL0008411	Kanwal Jeet Singh	Kanwal Jeet Singh	Self	15-10-2013	--do--
Delhi	449717	DL0017440	Nanak Chand	Nanak Chand	Self	03-10-2012	Bhardwaj Hospital
Delhi	252551	DL0004407	Nanak Chand	Indu Bala	Wife	03-10-2012	Icare Eye Hospital And Post Graduate Institute
Delhi	493560	DL0000930	Raj Kumar	Ravi Kumar	Wife	01-03-2013	--do--
Delhi	525950	DL0016127	Raj Kumar	Raj Kumar	Self	01-03-2013	Metro Hospital & Heart Institute - Noida

Source: *Claims data of empanelled hospitals provided by MD, ECHS.*

In reply to the draft report, while the MD ECHS stated (October 2015) that the payment for manufacture of cards to M/s SITL was released only on physical receipt of the cards at RCs, yet it was added that the figures provided to auditors may be at variation. No effort was, however, made by MD ECHS to reconcile the figure to justify the anomaly, despite repeated reminders. As regards multiple enrollments, MD ECHS agreed to the audit point and stated that more stringent scrutiny will be incorporated in the new RFP.

The fact remains that internal control system needs to be strengthened to weed out the unaccounted cards as well as to prevent any extra payment to M/s SITL.

2.2 Treatment process for ECHS beneficiaries

A. Through ECHS Polyclinics

The beneficiary reports to the ECHS Polyclinic and registers with his/her smart card at the reception and is allocated a Medical Officer (MO). In case of OPD patient the MO prescribes medicines which may be obtained from the pharmacy of the polyclinic**.** In case of in-patient treatment, the beneficiary is

referred by the MO to a Service hospital, in case the polyclinic is in Military station. In case of non-availability of bed in Service hospital, the patient is referred back to the polyclinic for referral to an empanelled hospital. Once referred, the patient gets treated from the empanelled facility[13] on cashless basis. The empanelled facility processes the claim online/manually after the patient is discharged **(Annexure-II).**

In case of polyclinics located in non-Military station, the OIC refers the patient to the nearest Service hospital/empanelled facility.

B. In case of emergency by empanelled hospitals

The beneficiary reports to an empanelled hospital in an emergency. The empanelled hospital assesses the emergency and generates an emergency information report (EIR) within 48 hours and sends it to the polyclinic online/manually. Thereafter, the polyclinic issues a referral for the empanelled hospital based on the EIR. The empanelled hospital treats the patient on cashless basis. On discharge the empanelled hospital processes the claim online/manually **(Annexure-III).**

C. In case of emergency by non-empanelled hospitals

The beneficiary reports to a non-empanelled facility in an emergency. The hospital assesses the emergency and commences treatment on payment basis. The patient/relative should report the admission to the nearest polyclinic by any means within 48 hours and get a reference to process the reimbursement claim later. After discharge from the facility the patient submits the reimbursement claim at the parent polyclinic. The parent polyclinic thereafter processes the reimbursement claim online/manually and cheque is finally issued to the patient **(Annexure-IV)**.

2.3 Polyclinics

ECHS Polyclinics are designed to provide 'Out Patient Care' which includes consultation, essential investigation and provision of medicines. Specialized consultations, investigations and 'In Patient Care' (Hospitalization) through spare capacity available in Service hospitals and through civil hospitals empanelled with ECHS.

Audit findings related to deficiencies in the Scheme as observed during the audit are discussed below:

[13] Empanelled facility refers to empanelled hospitals/empanelled diagnostic centres/ Pathological labs, *etc.*

2.3.1 Excess Load on polyclinics with respect to their designed capacity

Polyclinics are categorized as Type A to E based on the number of ESM dependant in the area**.** We examined the actual dependency of ESM with respect to the designed capacity in a test check in six polyclinics and found that the actual dependency of ESM of the polyclinics was manifold *vis-à-vis* their designed capacity as shown in **Table-4** below:

Table-4: Showing actual dependency of ESM on polyclinics

Sl. No.	Polyclinic	Type	Station	Designed capacity	Actual ESM Dependency
1.	Lucknow	C	Mil	5000 to 10000	34129
2.	Varanasi	D	Mil	2500 to 5000	37133
3.	Raebareli	D	Non Mil		8666
4.	Charkhi Dadri	D			15265
5.	Pune	B	Mil	10000 and 20000	37901
6.	Ahmednagar	C	Mil	5000 to 10000	10373

Since the provision of manpower and equipment in the polyclinics are based on their categorization, non up-gradation of the polyclinic according to the actual dependency of ESM has deprived the polyclinics of adequate number of doctors, medical specialists, para-medical staff, medical equipment, infrastructure *etc.* The inadequacy of resources in turn defeats the main objective of providing medicare to ESM and their dependants.

MD, ECHS while agreeing to the audit contention stated (October 2015) that there was a requirement to revise the manpower authorized to each of these polyclinics to overcome the additional load. It was further stated that a case for upgradation of the polyclinics was pending with the Ministry.

2.3.2 Failure to check the eligibility of beneficiary at the time of treatment

As per CGHS guidelines which is applicable for ECHS, dependent children include son(s) who are not physically/mentally handicapped, till he starts earning or attains the age of 25 years, whichever is earlier. The checks for verification of eligibility are exercised by the PCs.

Linking the claims data for the period 2012-13 to 2014-15 as maintained by BPA (UTI-ITSL) with the dependants date of birth from the card production data maintained by M/s SITL made available to Audit, revealed that in 36 claims, involving an expenditure of ₹1.92 lakh, ineligible dependent son(s) who had attained the age of 25 years were allowed treatment (**Annexure-V**). While in 14 of those 36 cases, the beneficiary had attained the age of 25 years after issue of the referral but before commencement of treatment, in 22 cases referrals were issued by polyclinic after the beneficiaries had attained the age of 25 years, which in three cases was more than 27 years.

We also looked into the data pertaining to the period February 2007 to March 2012 and observed the irregularity in manual bills too. 20 bills amounting to ₹4.5 lakh were paid by the SHQ Delhi Cantt. in respect of the beneficiaries, who had already attained the age of 25 years on the date of admission in the hospital, which in two cases was more than 28 years.

We observed that such lapses were due to following reasons:

- Design of the smart card was flawed. All the dependent members of the pensioner were linked to that unique Card ID of the primary member. As such, the dependent members could not be identified uniquely. This blocked the deactivation of the membership of a particular beneficiary once they lose the eligibility**.**

- Unlike CGHS, where the cards are issued for a fixed period of five years and renewed periodically, ECHS smart cards are issued with life time validity. Further there was no mechanism for re-verification of dependency, except voluntary disclosure.

- In the MIS, data related to the beneficiary *i.e.* date of birth, history of referrals *etc.,* is maintained by M/s SITL. Access to this data is however not available to the Bill Processing Agency (BPA), which processes these claims. In the absence of this information, BPA was unable to exercise any checks related to eligibility of the beneficiary before admitting the claims.

In reply, MD ECHS stated (October 2015) that the design, contents and modalities were conceived in 2003. The shortcomings and the lessons learnt over the years will be incorporated in the new system with specific attention to this aspect. In case of sons, the card is being hot listed[14] automatically on attaining the age of 25 years.

The reply is not acceptable as even after 12 years of the implementation of the Scheme, the aspect of elimination of ineligible beneficiaries was yet to be addressed.

2.3.3 Non-functioning of MIS Application in ECHS Polyclinics

The functioning of the ECHS polyclinic was planned to be automated by MIS application developed by M/s SITL. The application included six modules such as Reception, Doctor, Pathology, Officer-in-charge (OIC), Drug Store

[14] Hot list – refers to blocking of a card (as per SRS of MIS application, when a card holder applies for a duplicate card due to loss of the card, the need to block the original card arises. Hence a list is created which includes the information of all the lost cards which is referred as hot list.)

and Extension Counter. Analysis of data of MIS Application in respect of 10 selected polyclinics[15] as of April 2015 revealed that:

- Biometric check *i.e.* finger prints, to identify a patient through Reception module of MIS application was not exercised in 94 to 99 *per cent* of OPD registrations. Position at polyclinic at Varanasi, was however better, where percentage of non-exercising of such check was 44 *per cent* (**Annexure-VI)**. Non-exercising of bio-metric checks at the time of OPD registration in ECHS Polyclinics was fraught with the risk of impersonation. This lapse defeated the very purpose of introduction of the above checks for identification of genuine beneficiaries.

- Pathology Module, which includes the Report Template, Pathology Report Entry, Sample Collection Report, Test Category and Test details was not being used anywhere.

- Drug Module which includes Indent generation, Receipt and Issue of Drugs, Stock report *etc*. was being used partially as PVMS[16] indents were not generated through MIS and Store Inventory was not being updated.

In reply to the draft report, MD, ECHS agreed (October 2015) to the audit comments on lapses in biometric checks in the Reception module. With regard to the partial utilization of Pathology module it was stated that the Semi Auto Analyser used for the pathology test have inbuilt thermal printer. For partial utilization of the Drug module, it was stated that software for demand for medicines from AFMSD was different from MIS for ECHS.

It is evident from the reply that the very purpose of introduction of the checks for identification of genuine beneficiaries was defeated. The gains envisaged from the pathology module were also not accruing. The reply regarding mismatch between the compatibility of software used by AFMSD and that of MIS used for ECHS was not relevant as linkage between the two was not in the scope of audit query.

2.3.4 Short supply of medicines to the polyclinics

Drugs and other consumables for ECHS are procured by DGAFMS and arranged through the existing Armed Forces Medical Stores Depots (AFMSDs)/Forward Medical Stores Depots (FMSDs). Polyclinics raise indents for the required quantity of drugs on the concerned AFMSD/FMSD.

[15] Ten polyclinics at Delhi Cantt., Chandigarh, Dehradun, Jammu, Lucknow, Ludhiana, Pune, Satara, Trivandrum and Varanasi.

[16] PVMS Indents are used by polyclinics for placing demands of medical stores *viz.* medicines, X-ray films and consumables, *etc.* on AFMSD Depot *etc*.

We however observed at AFMSD Delhi Cantt. and Mumbai, that the compliance rate against the indents raised by ECHS polyclinics was low, as shown in **Table-5** below:

Table-5: Showing short supply of medicines to the polyclinics by AFMSDs

Name of unit	Year	Nos. of items in indents	No. of Items issued	Items marked NA	Percentage of NA items
AFMSD Delhi Cantt	2012-13	49739	27356	22383	45
AFMSD Mumbai		49792	12339	37453	75
AFMSD Delhi Cantt	2013-14	51176	34006	17170	34
AFMSD Mumbai		54541	13222	41319	76
AFMSD Delhi Cantt	2014-15	86848	60794	26054	30
AFMSD Mumbai (up to Dec 14)		45288	16608	28680	63

The percentage of medicines not issued (NA)[17] by the AFMSD Mumbai against the indents of dependent polyclinics ranged from 63 to 76 *per cent*, whereas in case of AFMSD Delhi Cantt. the percentage of NA medicines ranged from 30 to 45 *per cent*. Since AFMSDs are the major source for supply of drugs and consumables for the Scheme, shortage in supply of medicines up to the extent of 76 *per cent* by the two AFMSDs, denied the benefits envisaged in the concept of the Scheme to the ESM.

2.3.5 Non disposal of life expired medicines/drugs

As per the terms of the supply orders (SO) placed by DGAFMS and other Direct Demanding Officers (DDO) for procurement of medicines/drugs, if the drugs are lying unconsumed, the DDO will inform the vendor three months in advance. The vendor is liable to replace such medicines. In case the vendors do not replace the stock, the DDOs are empowered to make recovery of the cost of medicines from their pending bills**.**

We however, observed that despite the provision in SO for replacement of shelf life expired medicine, AFMSD Delhi Cantt. and Polyclinic at Lodhi Road, New Delhi were holding life-expired medicines/drugs worth ₹73.44 lakh (March 2015). From the documents, it could not be ascertained whether AFMSD/PC had taken up the matter for replacement of these medicine, in time, with the supplier. As a result, the expenditure on procurement of medicine worth ₹73.44 lakh had become wasteful.

MD, ECHS stated (October 2015) that reply had been sought from DGAFMS.

[17] The drugs not available with the AFMSDs/AMSDs are marked as Not Available (NA) for which funds are allotted by DGFMS to the service hospitals for purchase of the same.

The fact remains that despite measures in place, AFMSD/polyclinic, failed to safeguard the Government interest by not getting the unconsumed stock replaced from the vendors.

2.3.6 Irregular procurement of Oxygen Concentrators

Oxygen Concentrators[18] were not authorised for issue to ECHS beneficiaries. The instructions were reiterated by Central Organisation in November 2013 and the Regional Centres were directed to instruct the polyclinics not to procure the equipment. Based on the authorisation for CGHS in March 2014, Oxygen Concentrators were also authorised for issue to ECHS members in January 2015.

We however observed that despite the fact that the equipment was not authorised during the period from January 2011 to December 2014, four polyclinics[19] under Regional Centre, Delhi Cantt. irregularly procured oxygen concentrators at a cost of ₹1.73 crore, with the approval of the Senior Executive Medical Officer (SEMO). The equipment were issued to patients by these polyclinics.

In reply MD, ECHS stated (August 2015) that equipment were procured for issue to patients who were advised to use oxygen concentrators by the concerned medical specialists.

The reply is however not tenable as the Ministry had not authorised the purchase of the equipment before January 2015.

2.3.7 Excess expenditure in procurement of BIPAP and CPAP

Bi-level Positive Airway Pressure (BIPAP) and Continuous Positive Airway Pressure (CPAP) are life saving devices that help patients with respiratory failure to breathe more easily.

Ministry of Health and Family Welfare (MoH&FW) had fixed the maximum ceiling limit of ₹1 lakh for reimbursement to the CGHS beneficiaries for BIPAP machine and ₹50,000 for CPAP machines. With effect from 5 March 2014, the ceiling for BIPAP was reduced to ₹80,000. Notwithstanding the ceiling, we observed that various polyclinics had procured both BIPAP and CPAP for an amount in excess of ceiling limit of ₹80,000 and ₹50,000, causing an irregular expenditure of ₹36.10 lakh. Station Commander, Delhi Cantt. had sanctioned 183 BIPAP for three polyclinics under its jurisdiction from 5 March 2014 onwards. The procurement was made by respective PCs at

[18] Oxygen Concentrator is a device used to provide oxygen therapy to patients at substantially higher oxygen concentrations than the levels of ambient air.
[19] Polyclinics at Lodhi Road, Noida, Gurgaon and Delhi Cantt.

a total cost of ₹181.84 lakh against the total admissible ceiling of ₹146.40 lakh resulting in an expenditure of ₹35.44 lakh exceeding the prescribed ceiling. Similarly, polyclinics under SHQ (ECHS Cell) Jaipur had procured one BIPAP and three CPAP between July 2014 and February 2015, at a cost which exceeded the ceiling by ₹66,750.

In reply MD, ECHS stated (August 2015) that though the Central Organisation was listed in the OM issued by CGHS in March 2014, the letter was not received in the Central Organisation and was later downloaded from the net only in August 2014. The delay in issuing the policy letter from the Central Organisation was due to ensuring that the proper detailed guidelines are issued to all the concerned authorities.

The reply is not tenable as though it was the responsibility of the Central Organisation ECHS to implement the revision in rates from effective date in CGHS, 65 BIPAP and CPAP had been purchased even after the receipt of communication by Central Organisation, in August 2014.

2.3.8 Excess payment in procurement of Oxygen gas

Liquid Medical Oxygen (LMO) was procured by the Army Hospital, Research and Referral (AHRR) through tankers from April 2012 to March 2015 and stored in storage tank at the Hospital. From storage tank the oxygen gas is supplied to the wards/departments through dedicated pipe line. Payment was made for the receipt of LMO as recorded in Expense Book maintained by Medical store of the AHRR.

We found that actual receipt of the gas in the storage tank was 18,96,891 kg, whereas as per the expense book the quantity received and paid had been shown as 21,41,470 kg. Thus, the payment for excess quantity of 2,44,579 kg of LMO amounting to ₹28.15 lakh was paid by AHRR.

MD, ECHS stated (August 2015) that there appeared to be technical mistake in the calculation. However, the mistake as purported by MD, ECHS was not reconciled and in their latest response (October 2015) the responsibility for reply has in turn been entrusted to office of the DGAFMS. Reconciliation for excess amount paid for 2,44,579 kg of LMO was, therefore, awaited (October 2015).

2.3.9 Diversion of ECHS funds/stores for Service personnel by Service hospitals

As per the procedure for procurement of drugs and consumables for ECHS, medical stores procured for ECHS should be accounted for separately by the Service hospitals and utilized for the benefit of members of ECHS only.

However, we noticed at Army Hospital Research & Referral (AHRR) Delhi Cantt. and Base Hospital, Delhi Cantt. that separate accounting for issue of medicines/stores to ECHS beneficiaries was not being done by the Service hospitals and the stores meant for the ECHS beneficiaries were utilized for treatment of regular Service personnel. Non maintenance of accounting documentation to delineate the expenditure on ESM and the regular service personnel was not only in violation of the laid down procedures, but also had an impact on the services to be provided to the ESM under the Scheme. Illustrative cases as observed in the test check are summarized as follows:

- AHRR, Delhi Cantt. procured test kits/reagents for its pathological laboratories worth ₹42.94 crore during 2012-13 to 2014-15. This included procurement for ESM from ECHS funds worth ₹37.84 crore and for service personnel from DGLP funds worth ₹5.06 crore. While the expenditure on procurement of these drugs for ECHS beneficiaries and service personnel was in the ratio of 7.5:1, we observed that the ESM and service personnel registered for treatment in AHRR during the three year period of 2012-13 to 2014-15 was in the ratio of 1:3. This disproportionately higher expenditure from ECHS funds (7.5:1) against the correspondingly lower patient ratio (1:3) was suggestive of the fact that the medicine and consumables meant for ECHS beneficiaries was unauthorizedly being used for other than ESM.

- We observed that during the period April 2011 to March 2015, quantity 5,603 nos. consisting of eight types of medicines of oncology costing ₹13.79 crore were procured by AHRR, Delhi Cantt., from ECHS funds. Out of this, 5,553 nos. costing ₹13.68 crore were issued by the hospital for treatment of regular service personnel. While accepting the audit point, AHRR stated that the medicine was issued to Service personnel in life threatening conditions. It was however added that they would try to adhere to the laid down procedure.

- In AHRR we observed that stents procured from ECHS funds were utilised for treatment of regular service personnel. Between April 2013 to December 2014, 116 stents were issued for treatment of regular service personnel. While no separate account was being maintained to keep track of such issues, Audit found from the available documents that only 84 out of 116 stents had been returned to ECHS stock up to December 2014. Thus, due to non adherence to the laid down procedure, the stores procured under ECHS were not being accounted for.

MD, ECHS in reply to the draft report stated (October 2015) that DGAFMS would reply on these issues.

2.3.10 Mismatch in authorisation of medical equipment and manpower in Type 'C' and 'D' polyclinics.

Ás per MoD's orders regarding authorisation of manpower and equipment to polyclinics, we observed that while X-Ray and Ultrasound machine were authorized to Type 'C' and 'D' Polyclinics, yet no manpower to operate the same had been authorised. Thus, there was a mismatch in authorisation of manpower and medical equipment for type 'C' and 'D' polyclinics, which resulted in wasteful expenditure on procurement and idling of the equipment in these polyclinics.

In all the 13 type 'C' and 'D' polyclinics selected for audit, it was observed that despite non availability of manpower, the Ultrasound and X-ray machines were provided to these PCs, which were lying idle as summarised in **Table-6** below:

Table-6: **Polyclinics holding Ultrasound and X-ray machines without manpower**

Sl. No.	Polyclinics		Ultrasound machine held in PCs	X-Ray machine held in PCs
	Type	Number		
1	'C'	5	5	4
2	'D'	8	6	7

MD, ECHS agreed (August 2015) to the audit point and stated that case has been taken up again to authorise manpower as per job requirement at each polyclinic. Spare equipment was being transferred to the nearest Military hospitals to look after ECHS patients as and when required. The mismatch in authorisation of medical equipment and manpower was yet to be rectified (October 2015).

The reply however does not justify the procurement of equipment without authorisation of manpower.

2.4 Manpower

2.4.1 Non authorisation of Establishment for Central Organisation and Regional Centres, ECHS

MoD while sanctioning the Scheme in December 2002 stated that manpower required to staff the Headquarters (Central Organisation ECHS) and Regional Centres would be provided by Army, Navy and Air Force from within their existing resources. No separate peace establishment (PE) authorising administrative staff to these controlling organisations had been sanctioned. However, a review of the 'existing health care system of the armed forces for

serving and retired personnel and dependents', including review of authorisation of Human resource for ECHS facilities was carried out by the Chopra Committee in November 2013. It was felt that the entire scheme of ECHS suffered from inadequacy of Human resources and that the present authorisation was outdated and cannot cater for the continuous increase in workload.

The deficiency in manpower as pointed out by Audit in the subsequent paragraphs and the need for additional manpower to meet the continuous increase in workload, as brought out by Chopra Committee, underscores the need for authorisation of a regular establishment for the Central Organisation and the Regional Centres, ECHS.

MD ECHS agreed (October 2015) to the above point and stated that formulation of PE will resolve the issue of shortage of manpower and efforts were being made for the same.

2.4.2 Shortage of Manpower with polyclinics

Against the total authorisation of 6,800 contractual manpower, which included medical officers/specialists, technicians and paramedical staff, for polyclinics, only 5,353 persons were in position at the PCs, as on 31 December 2014. Thus, there was overall deficiency of 21 *per cent* in manpower with the PCs. We observed that the deficiency was more in Medical Officers/Specialists, at 24 *per cent,* where against the authorisation of 1,745 only 1,316 doctors were available.

MD, ECHS replied (October 2015) that a Board of Officers for manpower review had been completed and a case had been forwarded to the MoD, seeking additional strength of 7,891 comprising various categories of contractual staff.

The reply furnished is not tenable, as the organization was not even able to meet the requirement against the existing authorisation. Hence any increase in authorisation will not necessarily improve the state of holding.

2.4.3 Deployment of available manpower

Despite shortage of manpower with the polyclinics, as commented in **Paragraph 2.4.2**, even the available manpower had not been deployed as per the authorisation of the PCs. We found that the manpower employed and meant for PCs was irregularly being deployed and utilised at Central Organisation and Regional Centres at Delhi, which do not have any authorisation for contractual manpower. Manpower was also being diverted from PCs located at remote locations in Guwahati, Patna, Jharkhand *etc.* to

polyclinics located at big cities, which affected the functioning and quality of services at the lending PCs, as discussed below:

- 50 medical and para-medical staff were attached from various polyclinics to Polyclinic at Delhi Cantt. in excess of the latter's authorisation. Various categories in which such transfers were made are shown in **Table-7** below:

Table -7: Showing holding of excess manpower by PC Delhi Cantt.

Polyclinics	Medical officer		Dental officer		Nursing Assistant/ Nurse		Lab Technician		Dental A/T/H		Total in Excess
	Auth	Held	Auth	held	Auth	held	Auth	held	Auth	Held	
Delhi Cantt.	06	19	02	06	03	13	01	12	02	14	50

We observed that though the technical manpower, was documented to have been attached to Polyclinic at Delhi Cantt., yet the same was actually being engaged to perform administrative duties like online billing, clerical duties *etc*. at the Ministry, Central Organisation Delhi Cantt., RC-I and II/AHRR/SHQ Delhi Cantt. Further, most of the para-medical staff like Lab technicians, Dental Assistants, Radiologists *etc.* was transferred from such PCs which had only one such post. Thus the diversion of manpower to PCs, Central Organisation and RC at Delhi had been done at the cost of efficacy of the lending polyclinics which were already having shortage of staff.

- Similarly, 33 doctors and para-medical staff had been transferred for more than one year from various polyclinics under RC Chandimandir to Polyclinic at Chandimandir during the period from 2012-13 to 2014-15, affecting the functioning of the lending polyclinics.

On a query about irregular diversion of manpower, MD, ECHS stated (October 2015) that Medical Officers and the para-medical staff had been shifted from polyclinics having low daily average sick report to polyclinics having high daily average sick report to fill the void and for better operational efficacy.

The reply is not tenable as the staff transferred from various polyclinics to Polyclinic Delhi Cantt. was not engaged for technical duties but used for administrative purposes at Central Organisation and Regional Centres.

- As per Indian Medical Council Act 1956 and Professional regulations 2002 stipulate that MBBS is the minimum qualification to practice modern system of medicine. Any qualification other than MBBS or MD pathology/biochemistry/microbiology is not eligible to sign a lab report

by law. At Polyclinic Lodhi Road, New Delhi, we observed that, due to inadequacy of the doctors, all types of tests *viz.* biochemistry/ microbiology (HIV, SGOT, SGPT, Lipid profile, urine test, creatinine, widal test, billrubin, indirect HB, ESR *etc.*) were being carried out and signed by the lab technician. This practice not only violated the law but also compromised the quality of medicare being provided to ECHS beneficiaries.

MD, ECHS, while agreeing with audit views stated (October 2015) that strict instructions have been issued to ensure that Lab reports are signed by a Medical Officer of polyclinics.

2.5 Empanelled Facilities

Empanelment of Hospitals/Nursing Homes and Diagnostic Centres in ECHS is done by entering into a Memorandum of Agreement (MoA) between the Hospital and Regional Centre ECHS. Expenditure incurred on services provided by an empanelled Hospital/Dental /Diagnostic Centre is paid directly to the empanelled facility concerned by Regional Centres/Station Headquarters, as per approved rates.

2.5.1 Delay in empanelment of hospitals under ECHS

MoD had issued guidelines/procedure for empanelment of hospitals, nursing homes and diagnostic centers for ECHS. We observed that during the years 2012-13 to 2014-15 Trivandrum and Kollam city had only one hospital each for major procedures (up to December 2014). RC Trivandrum had sent proposals for fresh empanelment of 18 hospitals to MD, ECHS/MoD. However, except for one, no other approval for empanelment was received even after a lapse of one/two years. In Trivandrum, only one hospital *i.e.* SK Hospital is empanelled for in-patient treatment for most of the medical ailments *viz.* Medicine, Surgery, Ortho, ENT, Gynaecology, *etc*. In Kollam city only one hospital *i.e.* Holy Cross Hospital, Kottiyam is empanelled for in-patient treatment.

MD, ECHS stated (October 2015) that process of empanelment had been speeded up. In the VIth and VIIth Screening Committee meeting, 241 hospitals including five from Kerala had been empanelled.

2.5.2 Irregular claim of OPD charges in IPD referrals

The Standard Operating Procedure (SOP) for online bill processing issued by the Central Organisation, ECHS stipulates that the referrals to empanelled facilities would be made by the authorised medical officers/specialists of the polyclinics after provisional diagnosis. The referrals will specifically indicate

whether the patient is referred for admission, investigation or consultation. Further, as per the guidelines for empanelment of hospitals issued by CGHS the package rates *inter alia*, include two pre-operative and two post-operative consultations.

Scrutiny of the claims data in respect of 10 selected online RCs revealed that in respect of 4,750 IPD patients the hospitals had separately raised claims for OPD consultation for the pre operative consultations. Since the referrals in these cases was for 'admission' of the patient and two pre-operative consultations formed part of the package rate, charging for OPD consultation separately was unwarranted. The amount paid for such claims by the RCs for the three years period from 2012-13 to 2014-15 worked out to ₹52.90 lakh.

We further observed that since these claims were processed online through the BPA, the admission of amounts for OPD consultation reflects on the absence of adequate controls in the BPA's application.

In reply, MD ECHS (August 2015) accepted the validity of the audit point and stated that an advisory in this regard would be issued to the empanelled hospitals to put up a single claim for both IPD and OPD claim with same dates. However, the fact remains that the BPA and CFA at RC failed to restrict the claims for OPD charges resulting in overpayment of ₹52.90 lakh.

2.5.3 Deficiencies in raising of Emergency Information Report (EIR) by empanelled hospitals

In emergencies and life threatening conditions, the patients are permitted to be admitted to nearest empanelled hospital. The empanelled hospital/facility assesses the emergency and generates an EIR within 48 hours, informing the particulars of patient and the nature of admission. The OIC polyclinic may make arrangement for verification of the facts and issue a formal referral accordingly.

During the scrutiny of claims data in respect of 10 selected online RCs, we observed that OIC polyclinics had made referrals without adhering to the above stipulations. The cases of deviation which suggest that the OICs had not verified the facts before issuing referrals are summarized as follows:

- In 18 *per cent* of emergency claims, the EIR was delayed by empanelled hospitals between three and 584 days, which included 13 *per cent* claims where the EIR was raised after the discharge of the patients (**Annexure-VII).** This delay was in violation of the prescribed time limit of 48 hours for the hospitals to inform the nearest polyclinic.

- The data also showed that in 30 *per cent* of the claims **(Annexure-VIII)**, EIRs were raised by the empanelled hospitals and referrals made by other than nearest polyclinics. Since the procedure says that only the nearest polyclinic can make such referrals after carrying out necessary verifications, the issue of referrals by other than the nearest polyclinics was in violation of the laid down procedure.

While agreeing with the audit point (October 2015), MD, ECHS justified the treatment given by the empanelled hospitals due to life emergency and stated that a procedural lapse of not informing the nearest ECHS polyclinic within 48 hours by empanelled hospitals had no financial implication.

The contention in the reply is not correct, as raising of EIR within the prescribed period of 48 hours enables OIC Polyclinics to verify the genuineness of the admission and in turn the correctness of the claims. Since the EIR had been raised after the discharge of the patients and the delay extended up to 584 days, it is evident that the OIC polyclinics could not exercise necessary checks. Hence, assurance on genuineness of the payments made against all these claims was not drawn.

Analysis of the claims data also revealed the cases where EIRs raised by the hospitals were rejected by the polyclinics. We observed that between July 2012 and March 2015, 1,847 such EIRs were rejected for not being in conformity with the laid down requirements **(Annexure-IX)**. The hospitals again raised 1,371 such EIRs and claims in respect of 870 had been paid so far. We observed that 284 out of those 870 fresh claims had been approved by the polyclinics other than those which had earlier rejected the EIRs. There were no checks placed in the system for the polyclinic to verify that compliance to the reasons for which the EIRs were previously rejected, had been made by the Hospitals, while raising a fresh EIR. This shortcoming in the system is a major control lapse, which might be misused by the hospitals.

In reply, MD ECHS stated (October 2015) that the hospitals had raised the EIRs correctly in terms of the local orders issued by Headquarter Delhi Area, which allowed the polyclinics in NCR to obtain referrals from two PCs, for administrative convenience.

The reply is not acceptable as the local order issued by HQ Delhi Area was against the provisions of SOP on the subject. Further, raising of fresh EIR in the same case by the empanelled hospital on another polyclinic, without mentioning about its previous rejection, provided a scope for misuse.

Certain cases where EIRs were not genuine and noticed during surprise checks by OIC/MO of polyclinic are illustrated below:

a. North Star Hospital Kanpur claimed for three emergency admissions on 22/3/2014, which were subsequently found fake by OIC and Medical Officer of ECHS Polyclinic, Kanpur during their visit to the Hospital. Documents submitted for OPD treatment by ESMs were fraudulently used by the Hospital to show them as emergency admission in fake case.

b. The OIC and the Medical Officer of Polyclinic Kanpur made surprise visit to two empanelled hospitals at Kanpur in March 2014 and found that four ECHS patients were admitted as emergency case, though no life or limb threatening condition was found. All the four patients were discharged subsequently suggesting that the hospitals indulged in devious practices for their business gain in violation of the terms of MoA. Army HQrs, Military Intelligence (MI-9) took cognizance of the matter and issued instructions in April 2014 to investigate similar cases in other polyclinics.

In reply MD ECHS (October 2015) stated that in view of the disciplinary powers now having been delegated to MD ECHS action will be initiated with the defaulting hospitals under RC ECHS Lucknow and Allahabad. Both the RCs are presently enquiring into the issue and their reply is awaited. Stern action will be taken on being found guilty.

The reply is not tenable as approval of EIR being a serious area, the OIC/MO at PCs have grossly deviated from the laid down practice and even approved EIRs after more than one and a half year after discharge of the patient. Due to perfunctory approach of the OIC/MO of polyclinics, there is a possibility of these cases being false and giving scope for private hospitals to manipulate their bills.

2.5.4 Raising of two claims for the same patients during the overlapping period

We observed from the claims data of 10 selected online RCs, that 64 claims amounting to ₹42.67 lakh were raised by empanelled hospitals and paid by RCs for the period in which the same beneficiaries were admitted in other empanelled hospitals. A statement containing details of such claims is given in **Annexure-X.** Payment of such claims indicated that there were no validation checks in the system for online bill processing by BPA to restrict raising of such claims by hospitals.

In reply MD ECHS stated (October 2015) that the beneficiary under treatment as IPD patient at a hospital may be referred to higher medical centre by the hospital providing the treatment and on occasions the ESM himself may opt to move to other hospitals for better treatment. In both the cases the admission date in the higher medical centre/freshly chosen hospital will show an overlap.

The BPA and the medical approver deduct the amount for the overlapping period, if any, thereby ensuring that no loss is caused to the exchequer.

In the eventuality explained by the MD, ECHS, there can at the most be one day's overlap. Audit has, however, pointed out only those cases where the period of overlap was more than one day.

2.5.5 Non invoking of penal clause of MoA against defaulting hospitals

In accordance with the MoA, empanelled hospitals are to provide cashless facility to the ECHS beneficiaries and not to indulge in unethical practices like over-billing/unnecessary procedures or medical negligence, *etc*. In case of violation of the provisions of MoA by the empanelled hospital, the Performance Bank Guarantee (PBG) submitted by the hospital could have been forfeited and the hospital be removed from the list of empanelled hospitals with the approval of MoD. Besides, in case of initial violation of the provisions of the MoA by the hospitals, an amount equivalent to 15 *per cent* of the amount of PBG shall be charged as agreed liquidated damages.

We observed that despite specific mention about penal action against violations like 'refusal of credit to eligible beneficiary and direct charging from them', 'overbilling', *etc*. in the MoA, the empanelled hospitals were violating the provisions of the MoA by overcharging from the ECHS beneficiaries and preferring claims for items already included in the package rates, refusal of cashless treatment, *etc.* Illustrative cases of violation as observed in audit are discussed below:

- From the claims data of empanelled hospitals, in respect of the 10 selected online RCs, we observed that the empanelled hospitals had raised inflated bills in 37 *per cent* of the cases. Cases of inflated bills were observed in all the 10 selected regions, with maximum number of cases *i.e.* 47 *per cent* at Lucknow. Range of deviation in each selected region, is shown in **Annexure-XI.** Though the claims for the over billed amount were eventually rejected by the CFA, no penal action as provided in MoA was taken against the defaulting hospitals. We further observed that while MD ECHS had proposed to introduce rate integration[20] in the BPA's application to arrest such cases of overbilling, the same were implemented in only two out of 10 RCs selected in audit.

- Apollo Hospital, Ahmedabad did not provide cashless facility to a patient despite submission of ECHS card and referral slip from the

[20] Rate integration planned by Central Organisation ECHS as a validation check to be incorporated in the BPA's Application which restricts empanelled hospitals to submit and upload claims for amount higher than the applicable packages rates for treatment of beneficiaries.

polyclinic within the prescribed time. The hospital took an advance of ₹1.10 lakh in June 2014 from the patient before administering treatment. The hospital also raised a claim against the polyclinic for the treatment and was paid an amount of ₹73,800. The claim raised by the hospital did not indicate the advance of ₹1.10 lakh taken from the patient. On being pointed out in audit on 13 March 2015, the matter was taken up by SHQ/Polyclinic Ahmedabad with the hospital and the amount of ₹1.10 lakh was refunded to the beneficiary by the Hospital on 30 March 2015.

- We observed that RC at Trivandrum had received complaints about charging of additional payment over and above the authorised package rates from the patients by the empanelled hospitals *viz.* SK Hospital Trivandrum, AIMS, Kochi, Holy Cross Hospital, Kollam and SUT Hospital involving an amount of ₹16.16 lakh. In response to audit observation, RC Trivandrum stated that all such cases had been taken up by their office and money refunded to patients by the hospitals. MD, ECHS stated (August 2015) that all the RCs were asked to investigate each case and ensure that there was no violation of ECHS policies. It was further stated that strict action needed to be taken and disempanelment option could be exercised after permission of MoD.

- We observed that SHQ (ECHS Cell), Dehradun and Meerut had received complaints (Dehradun-11 cases and Meerut-5 cases) stating that empanelled hospitals were charging amount from ECHS beneficiaries for treatment instead of providing cashless facility. MD, ECHS stated (October 2015) that prompt and immediate action was being taken by RCs and disciplinary action will be taken, if found to be true.

- Scrutiny of documents at various RCs revealed that empanelled hospitals were resorting to various types of unethical practices. One hospital at Lucknow submitted two claims using fake stamp and signature of OIC Polyclinic. Another hospital at Kanpur claimed an amount of ₹18,855 with fake documents for surgery, which, as confirmed by another hospital had not actually been done. Hospital at Varanasi forwarded two different bills in respect of an ECHS beneficiary amounting to ₹2.95 lakh and ₹68,332 covering the same treatment period. Two different hospitals at Lucknow claimed bills for treatment of an ECHS patient for overlapping period.

MD, ECHS while accepting the audit observations stated that all Regional Centres had been asked to follow ECHS policies and guidelines and take stringent punitive action against defaulting facilities.

The reply is not tenable as the RCs failed to invoke the penal provisions of the MoA against the defaulting hospitals.

2.6 Processing of bills

2.6.1 Manual processing

Prior to 1 April 2012, the bills in respect of reimbursement claims relating to medical expenses were being processed manually. Bills and connected documents were submitted by empanelled Hospitals, Nursing Homes, Diagnostic Centres or Consultants to the polyclinic from where the patient was referred. Officer-in-Charge (OIC) polyclinic would authenticate the bills and forward, bills exceeding ₹5,000 to the Senior Executive Medical Officer (SEMO) at the Service hospital concerned for scrutiny and onward despatch to Station Headquarters (SHQ) for payment. Payment would be made by cheque by the SHQ and would be subject to post-audit by regional Controllers of Defence Accounts (CsDA). In case the amount of bill is in excess of financial limit of the Station Commander, the same would be forwarded along the chain of command for Competent Financial Authority's (CFA's) sanction. After sanction is accorded by CFA, the SHQ would make the necessary payment. The financial powers delegated to various authorities for payment and reimbursement of Manual medical bills is indicated in **Annexure-XII**.

Irregularities noticed in test check in payments of manual bills of empanelled hospitals are discussed as follows:

2.6.1.1 Irregular payment by SHQ, Delhi Cantt. towards unaccounted medical bills of empanelled hospitals

As per procedure for processing of manual bills, the empanelled hospitals were required to submit the bills to the concerned Polyclinic and obtain a receipt. Further, as per the SHQ, (ECHS Cell), Delhi Cantt. instruction circulated in September 2005, Soft data of the bills was also to be provided by the empanelled hospitals to SHQ in 'Excel' as per the prescribed format for uploading on their system. Instead of maintaining the Bill Register for accounting the bills, the SHQ recorded the bills data in their system. The control on the bills was being exercised by the SHQ by updating the system on regular basis.

Medical bills of empanelled hospitals were received at the SHQ, for payment through three sources *viz*. **(i)** Senior Executive Medical Officer (SEMO),

Armed Forces Clinic, New Delhi **(ii)** SEMO, Base Hospital, Delhi Cantt., and **(iii)** bills amounting up to ₹5,000 directly from dependent four polyclinics[21].

From the system data of the SHQ (ECHS Cell), we noticed that as on 31 March 2012, 5,783 medical bills of 126 empanelled hospitals amounting to ₹16.44 crore were pending for payment. During the period 1 April 2012 to July 2015 total 43,662 hospital medical bills amounting to ₹140.67 crore were received at SHQ Delhi Cantt., from both the SEMOs and dependent policlinics. As of July 2015, 6,712 bills amounting to ₹23.32 crore were pending with SHQ for payment. Thus, 42,733 bills of empanelled hospitals amounting to ₹133.73 crore were available for payment between April 2012 and July 2015.

As against 42,733 bills, we observed that 47,719 bills amounting to ₹157.34 crore were paid by the SHQ between April 2012 to July 2015. Evidently, 4,986 medical bills of empanelled hospitals amounting to at least ₹23.61 crore were paid in excess than actually received from the two SEMOs and the four polyclinics, as shown in **Annexure-XIII,** for which no record was available/traceable in the SHQ (ECHS Cell), Delhi Cantt.

We called for (January/May/June 2015) bills receipt diary/bill register from the SHQ (ECHS Cell), but the same was not provided by them. The matter was again referred (July 2015) to the SHQ (ECHS Cell) for reconciliation of their records of receipt and payment of pending medical bills and to furnish copies of weekly reports of bills paid, but they could not justify/reconcile the payment of excess bills and also did not provide copies of weekly reports of bills paid (September 2015). Two SEMOs confirmed to Audit in February 2015 and April 2015 that they had no more pending bills.

It is apparent from above that 4,986 unaccounted medical bills amounting to ₹23.61 crore were paid without any justification and no supporting bills from all the sources (2 SEMOs and 4 polyclinics) mentioned above have been provided to Audit. However, payments of bills on the basis of data base were continuing from April 2012 to July 2015.

In reply MD, ECHS stated (October 2015) that though the pending 6,712 bills worth ₹23.32 crore had been loaded in the system maintained by Station Cell ECHS Delhi Cantt., but no payment was made as the bills were not received at Station Cell ECHS. The reply was not tenable as payment of 47,719 bills which included unaccounted 4,986 bills amounting to ₹23.61crore has already been made as explained above. The pending 6,712 bills have not been included in the paid bills.

[21] ECHS Polyclinic Lodhi Road , Delhi Cantt., Noida and Gurgaon.

Further, the discrepancy in accounting and payment of bills, as explained above gets substantiated by the fact that during the course of review, we observed certain cases of double payments and also the absence of control in accounting. Specific cases, as observed in audit are summarised as follows;

- 22 bills (same number) amounting to ₹8.20 lakh, generated by empanelled hospitals, were admitted and paid twice by SHQ Delhi Cantt. through 44 paid vouchers amounting to ₹16.40 lakh. This resulted in duplicate payment of ₹8.20 lakh made between November 2007 and March 2013. The SHQ (ECHS Cell) assured in August 2015 to investigate the matter and recover the excess amount paid.

- Empanelled hospitals raised 123 duplicate bills in respect of patients where the name, referral number, nature of ailment, period of treatment, amount claimed *etc.,* were the same. Since the claim ID had been changed by the Hospitals, the SHQ Delhi Cantt. could not detect the duplicate bills and admitted the amount of ₹23.18 lakh between March 2007 and February 2015.

- As a tool of Financial Management and to exercise internal checks for the payments being made out of Cash Assignment the provisions of the Financial Procedure for the ECHS-2003, stipulates that the Cash Book along with the paid vouchers and Bank reconciliation statement needs to be forwarded to the PCsDA/CsDA for post audit. We however found that while submitting the Cash Book, no bank reconciliation statements were prepared and submitted by the SHQ Delhi Cantt. to the PCDA, WC Chandigarh, during 2012-13 to 2014-15.

No reply on the cases on duplicate payment and non preparation of Bank reconciliation statement was furnished by MD.

2.6.1.2 Overpayment due to non-adherence to MoA

- ***Inflated bills***

MoD in December 2003 laid down the procedure for payment and reimbursement of medical expenses under ECHS. The procedure stipulates that the rates of payment to empanelled hospitals/Diagnostic centres in cities/towns covered under CGHS would be governed by the package deal rates as laid down for CGHS, which would include all charges pertaining to a particular treatment/procedure including cost of medicines *etc*.

Scrutiny of the paid medical bills (manual/offline) for the years 2012-13 to 2014-15 in selected SHQs (ECHS Cell) and PCsDA/CsDA revealed that the empanelled hospitals claimed bills in excess of the authorised package rates,

and the same were admitted by the concerned SHQs (ECHS Cell). We observed an overpayment to the tune of ₹1.92 crore (**Annexure-XIV**) at 20 station selected in audit. At Pune station alone, the extent of overpayment was ₹69.84 lakh.

MD, ECHS stated (October 2015) that documents were being rechecked in detail and recovery action will be initiated in case any unjustified overpayment has been made. It was further added that in case, the hospitals failed to deposit the amount in stipulated time frame, the recoveries will be made from their current bills being processed online by the RC.

Notwithstanding the reply, it is apparent that the SEMO and Station Headquarters had failed to exercise adequate checks before making payments.

- ***Non reduction of 10 per cent package rate for treatment in General ward***

As per the order issued by Ministry of Health and family welfare (MoH&FW) in August 2010, the package rates were for Semi-private ward. If the beneficiary was entitled for General ward, there would be a decrease of 10 *per cent* in the rates and for Private ward there would be an increase of 15 *per cent*. However, the rates would be the same for investigation irrespective of entitlement whether the patient was admitted or not and test *per se* did not require admission to hospital.

In respect of ECHS beneficiaries entitled for General ward, we observed that excess payment of ₹11.96 lakh was made to 29 empanelled hospitals by the SHQs under the jurisdiction of PCsDA, WC, Chandigarh and CC, Lucknow on account of non-deduction of 10 *per cent* on the package rate (**Annexure-XV**).

- ***Charging of ECHS patients at higher than non-ECHS rates***

As per the general instructions issued by MD, ECHS in October 2011, the empanelled hospitals were required to give a certificate of undertaking that "Hospitals shall not charge higher than the ECHS notified rates or the rates charged from non-ECHS patients".

We observed from medical bills of empanelled hospitals at Lucknow, Dehradun, Varanasi and Jabalpur that the accommodation charges claimed by the Hospital and admitted by the respective SHQ were more than the rates being charged by those hospitals from non-ECHS patients. Charging of higher rates by the hospitals was despite the undertaking given by the empanelled Hospitals. On this account a sum of ₹26.78 lakh was overpaid to the hospitals, as indicated in **Annexure-XVI.**

MD, ECHS stated (August 2015) that the bed charges as mentioned in CGHS and ECHS included diet charges, electricity charges, nursing charges, surgical sundries and also the tax applicable on them. When bed charges were being compared with non-ECHS patients' expenses on these accounts also need to be included in the bed charges.

The reply was not correct as, we found that all the extra charges quoted by MD ECHS in reply, were also being charged separately from ECHS patients too. Hence, charging of higher room rent to ECHS patients was in violation of MOA and the undertaking given by the Hospitals.

Similarly, a comparison of bills in respect of ECHS and non-ECHS patients pertaining to Fortis Hospital, Mohali (NABH hospital) was carried out. It was found that the rate of Total Knee Replacement (Bilateral) [TKR] charged by the Hospital in respect of ECHS patients was higher than that charged from the non-ECHS patients. This had resulted in excess payment of ₹99.49 lakh during April 2012 to October 2014 as indicated in **Table-8** below:

Table-8: Showing excess payment for TKR (B/L)

Type of accommodation	Rate for ECHS Patient (excluding cost of implants and bone cement) (₹)	Rate charged by Fortis Hospital for non-ECHS patients (excluding cost of implants and bone cement) (₹)	Difference in rates (Col.3-Col.2) (₹)	Total cases of TKR (Nos)	Excess amount paid (₹) (Col.4 x Col.5)
1	**2**	**3**	**4**	**5**	**6**
General ward	227700	172772	54928	105	5767440
Semi-private ward	253000	203590	49410	54	2668140
Private ward	290950	236890	54060	28	1513680
Total					**9949260**

MD, ECHS replied (October 2015) that Fortis Hospital Mohali had informed that their charges for Bilateral TKR for general public were higher than ECHS beneficiaries.

The reply is not factually correct as it was seen from the actual bills raised by the hospital in respect of ECHS and non-ECHS patients that the amount charged for the procedure (excluding implants and bone cements) from ECHS patients was more than non-ECHS patients.

- ***Non-obtaining of rebate on medicines used in Oncology treatment***

As per the guidelines issued by MD, ECHS in July 2011, the hospitals would provide chemotherapy medicine to ECHS beneficiaries at a discount of 10 *per cent* on MRP. Examination of claims submitted by four hospitals mentioned in **Annexure-XVII** revealed that 10 *per cent* discount of ₹20.55 lakh on

chemotherapy medicine was not obtained by SHQ (ECHS Cells) at Jabalpur, Gwalior, Pune and Jodhpur.

MD, ECHS replied (October 2015) that while action for recovery from defaulting hospitals at Pune and Jodhpur would be initiated, SEMO Jabalpur and Station HQ Bhopal have already initiated recoveries. It was however stated that Deenanath Mangeshkar Hospital at Pune was no more empanelled with ECHS and hence amount cannot be recovered.

Notwithstanding the reply, the fact remained that the SHQ failed to restrict the claims, which resulted in overpayments.

- ***Conclusion of MoA at higher than CGHS rate***

As per the MoD's orders of December 2003 and August 2010, in case of the polyclinics located in cities/towns not covered under CGHS, the rates of payment to the empanelled hospitals/diagnostic centres will, in any circumstance, not exceed the CGHS rates applicable to the nearest cities/towns covered under CGHS.

We observed that the nearest city covered under CGHS with respect to Dehradun and Bareilly station was Meerut. However, MoAs for various procedures with empanelled hospitals at Dehradun and Bareilly were concluded at CGHS rates for Lucknow which were higher than the CGHS rates applicable for Meerut. This resulted in violation of the Ministry's orders causing an extra expenditure of ₹5.81 lakh.

In his reply it was stated by MD ECHS (October 2015) that Dehradun was allowed rates as applicable to Lucknow vide Central Organisation's letter of 29 August 2013 and later rates of Meerut were allowed vide their letter of 22 April 2014.

The reply of MD was however not factually correct, as both the letters quoted in the reply, provided applicability of rate in Meerut for Dehradun.

2.6.1.3 Provision of discount on Medicine in MoA

As per the terms of the MoA between ECHS and empanelled hospitals, it was stipulated that the empanelled hospitals would not charge the cost of medicines more than the MRP. We observed that the empanelled hospitals were charging the cost of medicine at MRP in their bills and the same were paid by the ECHS.

As far as local purchase of drugs and consumables by the polyclinics is concerned, DGAFMS in December 2003 had sought an amendment to the

procedure for procurement of drugs and consumables for ECHS. Accordingly, the SEMOs had to ensure that the cost of drugs and consumables purchased by polyclinics would be at least 10 *per cent* lower than the MRP. We observed in a test check that while most of the polyclinics were procuring medicines at less than MRP, polyclinics at Unnao and Akbarpur Mati, had made procurements after availing a discount of even up to 35 *per cent* in 2014-15.

Examining the terms of the MoA between ECHS and empanelled hospitals *vis-a-vis* the instructions issued by DGAFMS on local purchase of medicines, we found that while the ECHS was availing rebate on local purchase of drugs, no such benefits could be availed from the empanelled hospitals for want of suitable condition in the MoA. The fact that the MRP rate charged by the empanelled hospitals were considerably higher than the discounted rates available in the local markets also gets substantiated by our findings during our audit at RC Jalandhar, where we observed that while empanelled hospitals under the RC had charged between ₹9,175 and ₹18,880 for Injection Peg-interaferon Alpha 2a & b[22] (Roche), the same injections had been procured by MH Jalandhar during the same period in 2014-15 for ₹3,543 to ₹5,670. This differential in cost resulted in extra expenditure of approximately ₹89.53 lakh.

Based on the above analysis it is apparent that there is a sufficient scope for introduction of a stipulation in the MoA with the empanelled hospitals for seeking discount over MRP in medicine being issued by them to the ECHS beneficiaries. The recommendation of audit assumes significance in the light of the fact that in the 10 selected online RCs, we observed the cost of medicine formed 32 *per cent* of the medical treatment related payments made to empanelled hospitals (₹540 crore out of ₹1,702 crore).

MD ECHS replied (October 2015) that since there was no mention of discount on MRP on medicines utilized for the patients during hospitalization, the payments were made as per the terms of the MoA.

Based on the facts emerging from above analysis, it is apparent that there is a need for introduction of a provision for availing discount on medicines in the MoA.

2.6.2 Online processing

With the objective to overcome the large pendency of bills of empanelled hospitals caused due to shortage of manpower at all levels, MoD outsourced the online processing of bills to M/s UTI (ITSL) *i.e.* Bill Processing Agency (BPA) in following three phases:

[22] Peg-interaferon Alpha 2a and Peg-interaferon Alpha 2b.

- from April 2012, in five Regional Centres (RCs) *viz.* Delhi, Chandimandir, Pune, Trivandrum and Secunderabad,
- from April 2013 five additional RCs *viz.* Jalandhar, Jaipur, Lucknow, Kolkata and Kochi by MoD were covered and
- In April 2015, the Scheme was further extended to all other remaining 18 RCs.

As per the sanction, BPA would carry out medical scrutiny of the bills (check appropriateness of treatment) by a team of qualified Doctors. Based on the eligibility/admissibility, the bills would be sent to the BPA's financial team for scrutiny. The work sheet along with recommended amount would thereafter be electronically submitted to the RC within two working days by the BPA. CFA at RC would examine the bill and the work sheet before according sanction for payment. The respective financial powers delegated to various authorities for sanctioning payment and reimbursements of online Medical Bills are indicated in **Annexure-XVIII**.

2.6.2.1 Implementation of online bill processing by BPA without any Memorandum of Agreement (MoA)

M/s UTI-ITSL was selected on nomination basis as the firm was Government owned and was providing similar services to CGHS under the Ministry of Health and Family Welfare. We observed that MD, ECHS proceeded with online bill processing from April 2012 without entering into any MoA with the BPA. The MoA with the BPA had not been signed (August 2015). We observed that in the absence of any MoA, there were no performance benchmarks for MD ECHS to ensure the effective discharge of services by the BPA. Absence of any MoA resulted in deficiencies like, non-adherence of time limit for bill processing, deduction of service charges at higher rates, charging of service charges from beneficiaries, non-development of audit module in implementation of the Scheme *etc.* which have been pointed out in the subsequent paragraphs.

2.6.2.2 Shortage of manpower at Regional Centres and Central Organisation ECHS affecting scrutiny of online claims

Prior to April 2012, SEMO would do the required checks on the bills of empanelled hospitals. Though the billing procedure was changed to On-line from April 2012 and the responsibility for checks was entrusted to RC, no corresponding transfer of resources was, however, done. We analysed the online claims processed by CFAs at Regional Centres and Central Organisation over a period of three years from 2012-13 to 2014-15 and observed that monthly average claims processed at Central Organisation and

Regional Centres varied from 634 to 17,951, 707 to 27,150 and 305 to 20,585, respectively. The increase over previous years was maximum in Regional Centres at Chandimandir, Delhi, Jalandhar, Kochi and Trivandrum. Region-wise details are given in **Annexure-XIX**. In view of the abnormal increase in the work load and without provision of manpower to cater for such workload at Regional Centres and Central Organisation, the scrutiny of bills was affected in terms of processing time as commented in **paragraph 2.5.5** (Ist bullet).

To speed up the bill processing at RCs and Central Organisation MD, ECHS in June 2012, issued directions to all RCs that only five *per cent* of the bills would be scrutinised in detail by the medical vetting authorities at the RCs as well as Central Organisation. In August 2013, the ibid directions were withdrawn and the discretion for sampling was left to be decided by RCs.

We observed that in view of non-implementation of rate integration in BPA's application and raising of inflated claims by empanelled hospitals, as commented in **paragraph 2.5.5,** restriction of scrutiny of bill at RCs up to five *per cent* only was not justified and prone to overpayments**.** The adoption of five per cent sampling checks by CFA at RCs and Central Organisation ECHS was in violation of the sanction of MoD which didn't specify any sampling to be exercised by CFA over the BPA's scrutiny.

In reply, MD, ECHS stated (October 2015) that no medical officers were authorized at Regional Centres and Central Organisation for medical scrutiny of online bills. To deal with the increased load of online bills, two additional contractual medical officers at Central Organisation ECHS and RCs with heavy load of bills have been posted in lieu of contractual staff authorised to non-functional polyclinics. Regarding sampling of claims by CFA at RCs, MD, ECHS stated that the instructions to re-validate only five *per cent* bills was issued with the aim to bring down the pendency at RC level and once the pendency was in comfortable zone/limit, instruction was withdrawn.

The reply furnished by MD, ECHS corroborates the fact that shortage of manpower affected scrutiny of bills thereby making it prone to errors. Reply regarding sampling of claims for scrutiny by CFA at RCs is not acceptable as the MoD's sanction for the online bill processing did not provide for scrutiny of bills on sampling basis and moreover, even now the sampling is continuing at the discretion of RCs.

2.6.2.3 Non-adherence of the time limit for payment of bills by BPA/CFA resulting in non availing of discount

MoD's sanction for online bill processing issued in February 2012, provided that BPA would complete their medical and financial scrutiny and would

submit work sheet along with recommended amount to the RC within two working days. CFA will examine the bill and accord sanction within five working days. The payment to hospitals and individuals will be made within two working days by the RC. The entire process for bills, from its receipt to payment, was therefore to be completed within nine working days. Besides, as per provisions of MoA with empanelled hospital, a discount of two *per cent* over the amount payable, will be deducted, if the payments were made within 10 working days of receipt of hard copy of bill or settlement of all queries by the hospital, whichever was later.

We observed that stipulated time limit was not being adhered to in processing the bills by BPA and CFA. Out of the total 19,19,343 bills paid, during three years, only 2,45,367 (13%) bills were processed and paid within the time limit. Remaining 16,73,976 were delayed at various levels. An analysis of delay at BPA, CFA and payment stages in respect of bills where delay in processing was more than nine working days (11 days) is shown in **Table-9** below:

Table-9: Analysis showing delay in processing of bills at BPA, CFA and payment stage

Year	Bills processed beyond 11 days	Percentage of Bills processed by BPA beyond 2 days	Percentage of Bills processed by CFA beyond 5 days	Percentage of Bills paid after CFA approval beyond 2 days
2012-13	2,35,633	91	59	43
2013-14	6,14,419	83	53	48
2014-15	8,23,907	94	64	65
Total	**16,73,976**	**90**	**59**	**56**

Source: *Data of audit trail of medical reimbursement claims provided by MD, ECHS*

Note: *1. Nine working days have been converted into 11 days by adding two days for Saturday and Sunday falling in between at CFA Stage.*

2. The percentages shown also include cases where the delay is on the part of more than one agency.

The above analysis revealed that on an average, BPA delayed 90 *per cent* bills, CFA delayed 59 *per cent* bills and paying authority delayed 56 *per cent* bills. This delay resulted in non availing of discount of two *per cent* amounting to ₹34.10 crore in respect of 16,47,930 bills[23] paid for ₹1,705 crore, during the period from 2012-13 to 2014-15.

We further observed that since no penal action was specified either by the MoD or MD, ECHS, the BPA could not be penalized for delay in processing of bills.

[23] The nos. of bills with total delay of 10 working days have been worked out by converting into 12 days by adding one day at payment stage in addition to 11 days already shown in Table-9 above.

In reply, MD, ECHS stated that BPA could not engage more staff for want of MoA and lack of adequate staff resulted in large pendency as well as delay in processing of the bills. In respect of the delay at the CFA level, it was stated that there was no authorized PE at RCs and there were shortage of funds from 2012 to 2014. It was also stated that a case was taken up with the DoESW to do away with the 2 *per cent* discount as this was impracticable.

The reply was however not tenable as absence of MoA cannot be an excuse for not engaging adequate manpower by the BPA. Rather it is evident that number of bills has increased over the year so the amount payable on account of service charge will also proportionately increase and BPA should be obliged to engage more staff for processing of claims for ECHS. Moreover the responsibility of signing the MoA and authorisation of PE rests with the MD ECHS and the DoESW. The reply regarding lack of authorized PE at RCs is also not tenable as the MD, ECHS in his earlier response to **paragraph 2.6.2.2** himself stated that to deal with increased load of online bills, two additional contractual medical officers have been posted at RCs with heavy load of bills. The contention of lack of funds is again not tenable as the delay in most of the case was observed at BPA/CFA level and not for want of funds at payment stage.

2.6.2.4 Approval of payment to empanelled hospitals by CFA (ECHS) after rejection of the same by BPA

We observed in April 2015 that the BPA had recommended 1,088 claims amounting to ₹1.16 crore pertaining to the period from April 2012 to November 2014 for rejection. CFA, however, passed such claims against the BPA's recommendation.

Out of these 1,088 claims, audit examined 423 claims each amounting to ₹1,000 or more with total approved amount of ₹1.14 crore. The sample was 42 *per cent* population-wise and 98 *per cent* amount-wise. Out of 423 claims we found that in 206 claims the recommendation of BPA for rejection of such claims was based on the policy of ECHS/CGHS and thus valid. The approved amount of such 206 claims was ₹58.54 lakh. The major reasons due to which BPA recommended rejection of claims were (i) claim being without valid referral, (ii) Non-submission of mandatory documents, (iii) Separate claims for items forming part of package (iv) Without pre and post procedure images[24], (v) hospital not empanelled for treatment *viz*., TKR, PTCA, *etc.* (vi) Without necessary approval of SEMO *etc.* CFA, however, approved such

[24] As per the checklist provided in SOP issued by MD ECHS for online processing of bills, pre and post real time images are required to be submitted by empanelled hospital for claims for procedures like PTCA, Joint Replacement, etc.

claims in contradiction to BPA's recommendation. Details are given in **Annexure-XX.**

In reply, the MD, ECHS stated that;

- OIC's signature and stamp was done away with at high pressure polyclinics as it was observed that the OIC was most of the time busy in signing the referrals;
- images were not uploaded but given in hardcopy/CD at RC and JD (HS) passed the bill after authenticating bill therefrom;
- On issue of hospitals not empanelled for treatment, it was stated that in an emergency, hospitals even if not empanelled for a particular treatment can admit the beneficiary.

The reply of MD, ECHS is not acceptable as the claims were passed without justification as discussed below:

- Selective doing away with signature and seal of OIC/MO in referral letters compromises the internal control mechanism.
- As per the procedure, all documents of uploaded claims are to be physically verified with hard copy of received bills in RC after which the BPA scrutinizes claims. Hence non-uploading of images, which is integral part of documents to be uploaded, tantamounts to breach of procedure. Further, we observed that in three out of 16 such cases, the claims were passed by JD (HS) involving overpayment of ₹43,402 on ineligible entitlements like type of ward entitlement, charges over and above the package charges *etc.*
- Out of 10 claims pertaining to hospitals not being empanelled for treatment, which the BPA had rejected but passed by CFA, Audit observed that disease in only two claims were covered under emergency *i.e.* PTCA[25] and CABG[26]. Other eight claims were for Total Knee Replacement, which is a non-emergency disease. Hence the BPA's recommendation for rejecting the claim was valid.

2.6.2.5 Allowing BPA to deduct service charges at rates higher than that applicable in CGHS

M/s UTI-ITSL was selected as BPA for ECHS on nomination basis as the firm was Government owned and providing similar services to CGHS. The BPA submitted their initial proposal which was in line with that of CGHS, both for

[25] PTCA – (Percutaneous transluminal coronary angioplasty)
[26] CABG – (Coronary Artery Byepass Grafting)

services and cost. We observed that since inception of online bill processing in April 2012, M/s UTI-ITSL had been charging at the cost, as were being charged by them in case of CGHS, in five different slabs. However, MD, ECHS, revised the rates for service charges in June 2013, by increasing in two slabs and decreasing in one slab. No change was made in other two slabs. The reasons for change were not available in the documents held by MD ECHS.

We observed that introduction of revised rates, which were not only at variance with the rates applicable in CGHS, but were also higher than the rates quoted by the firm in its original bid, resulted in an undue benefit of ₹41.21 lakh to the BPA for bills processed during the period from 2012-13 to 2014-15 as shown in **Table-10** below:

Table-10: **Showing detail of excess amount paid to BPA**

Hospital bill amt	Rate of M/s UTI-ITSL as being charged from ECHS			Rate of M/s UTI-ITSL as being charged from CGHS		Excess Amount charged by M/s UTI-ITSL (Difference of Col. No. 4 & Col No. 6)
	Rate at which BPA Charges applied	Claims (in nos.)	Total Amount	Rates as referred to in col. B above table	Total Amount	
1	2	3	4	5	6	7
501/ to 1000/-	20	165357	3307140	15	2972265	826785
1001/- to 5000/-	50	371724	18586200	35	15531180	5576210
5001/- to 10000/-	125	91269	11408625	150	16676400	(-)2281725
Total			148311968		144190698	**4121270**

In reply the MD, ECHS stated (October 2015) that rates were as laid down in Note of MoD dated 9 February 2012 and the organisation has followed the rate as per the ibid letter.

The reply is not acceptable as MD, ECHS and MoD failed to check that the proposal of M/s UTI-ITSL was same as that applicable in case of CGHS. Further, knowing the fact that BPA was charging higher rates, MD ECHS and MoD did not make any effort to rectify it and allowed BPA to charge higher rates. Moreover, absence of MoA with BPA also contributed to this anomaly.

2.6.2.6 Irregular recovery of service charges from individual reimbursement claims by BPA

In November 2013, MD, ECHS in reversal of his earlier decision of February 2012 permitted M/s UTI-ITSL to deduct service charges from reimbursement claims made by individuals. From the claims data for the period 2012-13 to 2014-15 in respect of the bills pertaining to the 10 online RCs, we observed that, M/s UTI-ITSL had charged service charges on individual reimbursement claims since commencement of online bill

processing. For 22,179 individual reimbursement claims, service charges amounting to ₹31.89 lakh were levied by BPA. The levy of service charges from individual's reimbursement claims was against the spirit of the Scheme, which stipulated that recovery of only one time membership charges from the beneficiaries shall be made, as in CGHS.

Any charges to be levied on ECHS beneficiaries therefore warranted approval of the Ministry.

In reply, the MD, ECHS stated (October 2015) that no specific instruction was existing for deduction of service charges from the reimbursement of individual claims. However, the BPA's software was deducting the service charges from these individual reimbursement claims. On being asked to waive off the service charges from these bills, the BPA did not agree. Hence the bills of the ESM kept getting piled at the BPA. Therefore, a conscious decision was taken to charge the BPA fees from the beneficiaries of individual reimbursement cases, purely to avoid harassment to the veterans.

The reply is not tenable as the levy of any charges in addition to the one time contribution puts ECHS beneficiaries to disadvantage *vis-à-vis* CGHS. Further, as seen from the reply, the BPA has taken an advantage of the absence of MoA and unduly levied service charges on individual beneficiaries.

2.6.2.7 Incorrect room type entitlement in case of indoor treatment for ECHS beneficiaries

The entitlement for indoor treatment for ECHS beneficiary in a hospital is shown in **Table-11** below:

Table-11: **Showing detail of entitlement and rates applicable**

Rank	Entitlement	Rates applicable for treatment
Officers	Private Ward	15 % in addition to notified rates.
JCOs (Nb Sub to Sub Maj including Hony Ranks of Lt/Capt and equivalent)	Semi-private Ward	Notified rates only
NCOs (Sep to Hav including Hony Rank of Nb Subedar and equivalent)	General	10% less on notified rates

We observed from the claims data for period from 2012-13 to 2014-15, in respect of 10 selected online RCs that in 1,487 claims the beneficiaries were paid for higher than their entitlement. In case of 755 claims amounting to ₹4.21 crore, though beneficiaries were actually entitled for 'Semi-Private Ward', the hospitals were paid at the rates for 'Private Ward', involving

overpayment of ₹54.72 lakh. Again, in 732 claims amounting to ₹3.57 crore, while the beneficiaries were entitled for 'General ward', the payment was made at the rates for 'Semi-Private' ward involving overpayment of ₹35.71 lakh. Thus, non-adherence to eligible room type entitlement for ECHS beneficiaries resulted in an overpayment of ₹90.43 lakh in 1,487 claims.

In reply, MD ECHS stated (October 2015) SITL erred while producing and issuing the cards to the veterans and thereby the hospitals have provided the wards beyond their entitlement based on the cards. The BPA and CFA do keep a check on the aberration but certain cases may go unnoticed. It was further stated that the contract between ECHS and SITL had been terminated and additional expenditure on the said cases has to be taken as *fate accompli*.

The reply is not tenable as in terms of the contract with SITL, the responsibility of furnishing details regarding the beneficiary entitlement *etc.* rests solely with the ECHS and therefore MD ECHS cannot disown the responsibility. Further, the cases as detected by audit were found only in a sample check. There is a strong possibility of more such cards in circulation. MD ECHS has not given any course of action to identify and weed out such cards to avoid further misuse.

2.6.2.8 Payment of claims in respect of beneficiaries declared dead in their earlier claims

We observed from the claims data for period from 2012-13 to 2014-15, relating to 10 selected online RCs that 27 claims amounting to ₹5.86 lakh were raised by empanelled hospitals and paid by the RCs in respect of such 18 beneficiaries who had been declared dead during the course of their earlier treatment. Such claims went unnoticed, both at the level of BPA and CFA, which indicate the weakness in controls.

In reply, MD ECHS (August 2015) stated that in case of one beneficiary it happened due to oversight by BPA and an advisory issued to all RCs for not honouring any claims against the particular card ID. In respect of the remaining cases, the anomaly was attributed to an error caused due to shortcomings in the old card (16kb) which had a system to pick the name of only primary member.

The reply is not tenable as the card was used with the MIS application at the ECHS polyclinics and has no linkage with the BPA's application. MD ECHS did not provide the scanned documents of the claims despite repeated requests so the response could be validated. It is also noticed that the reply of MD was confined only to the cases noticed by Audit and not addressing the issue comprehensively by plugging the lapses in internal control systems.

2.6.2.9 Overpayment due to delay in dissemination of revised rates

In February 2013, Ministry of Health and Family Welfare (MoH&FW) revised the rates for coronary angioplasty and coronary stents from the date of issue of the Office Memorandum and this revision led to considerable reduction in rates *i.e.* 44 *per cent* for angioplasty and 62 *per cent* for coronary stents. MD, ECHS, however, notified such revision after two months (**Annexure-XXI**). Due to delay in implementing/notifying revised rates of coronary angioplasty and coronary stents by MD ECHS, empanelled hospitals were allowed an extra payment of ₹62.18 lakh in respect of 133 claims paid by the 10 selected online RCs.

MD, ECHS replied that delay in implementing any downward revision of rates was not done with a view to benefit the empanelled hospitals. There are many factors to it like taking the concurrence of DGAFMS or Department of Ex-servicemen Welfare in MoD, taking necessary inputs from service hospitals as required and non intimation from CGHS about any revision of rates, *etc*.

The reasons put forth by the MD for delay in dissemination of revision of CGHS rates to all stake holders is not tenable as MoD guidelines sanctioning the Scheme clearly stipulate that CGHS rates have to be followed. Further, there is no requirement of concurrence of these rates by the DGAFMS or any other authority.

2.6.2.10 Non-development of audit module for post audit by PCsDA/CsDA

As intimated by CGDA in November 2010, BPA had agreed for online concurrent audit along with system audit. CGDA had accordingly requested the MD, ECHS for inclusion of this condition in the MoA with BPA. We, however, observed that the online post audit module had not been implemented in any of the PCsDA, except PCDA Secunderabad. We found that in implementation thereof, issues/modalities related to recovery trail, audit memo's issuance/settlement, *etc.* were yet to be resolved by the BPA.

In reply, MD ECHS stated (October 2015) that audit module underwent various modifications over a period of time as directed by PCDA Secunderabad and RC ECHS, Hyderabad. PCDA Secundrabad accepted the module in August 2014 and recommended that the same be extended to other CsDA. However, the issue was pending with CGDA for more than a year.

The fact therefore remains that while the module had been developed and found suitable for extension to other CsDA, the implementation is still awaited for want of approval by the CGDA. The existing module developed could have been extended to all CsDA and the deficiencies rectified during the course of usage.

We further observed that non-implementation of online audit module in all PCsDA resulted in non-completion of timely post audit as commented in **paragraph 2.6.2.11.**

2.6.2.11 Inadequate Post Audit of medical reimbursement bills

Financial Procedure for ECHS, issued by MoD in September 2003 stipulates that Bills and connected documents submitted by Hospitals, Nursing Homes, Diagnostic Centres or Consultants to the Polyclinic will be subject to post-audit by regional CsDA after payment by the concerned authority.

We noticed that during 2012-13 to 2014-15, percentage of post audited bills was between 1.99 *per cent* and 56.52 *per cent* only. The total outstanding bills in respect of the five[27] PCsDA/CsDA made available to Audit were 35,73,593 numbers **(Annexure-XXII).**

In reply to the Audit observations the concerned PCsDA/CsDA intimated that the low percentage of post audit was due to shortage of staff. The PCDA, SC, Pune also stated that the ECHS Cell (PCDA, SC, Pune) was formed in the month of June 2013. So, the audit of bills prior to June 2013 of empanelled hospitals (ECHS medical bills) was not conducted. PCDA, CC Lucknow intimated that no separate report for receipt of vouchers prior to 1/4/2013 was maintained.

The fact remains that the PCsDA/CsDA failed to carry out the post audit of the bills as per the laid down financial procedure.

[27] PCDA, WC, Chandigarh, PCDA, SC, Pune, PCDA, CC, Lucknow, CDA(Army) Meerut and CDA Jabalpur.

CHAPTER-III: CONCLUSION

Ex-servicemen Contributory Health Scheme was envisaged to provide health care on cashless basis to all the Ex-servicemen and their dependents on the lines of CGHS. During the review we however observed that the Scheme was beset with deficiencies as given below:

- The enrollment of beneficiaries had various shortcomings including beneficiaries being charged for the smart card and instances of multiple enrollments of beneficiaries, ineligible beneficiaries and higher than entitled room types being allowed to beneficiaries.

- Many polyclinics, starting point for treatment of ESM are over-burdened with respect to their designed capacity. The supply of medicines to the polyclinics was inadequate. The MIS system was not functioning with reference to identification of beneficiary and for their pathological reports.

- ECHS lacked internal controls for verifying the cases of EIR, resulting in acceptance of referrals even after large delays of up to 584 days as against prescribed time limit of 48 hours. ECHS neither enforced the conditions of MoA nor penalized the hospitals indulging in overbilling. Claims were raised by empanelled hospitals and paid by ECHS for the overlapping period in which the same beneficiaries were admitted in other empanelled hospitals. There were delays in dissemination of revised rates resulting in overpayments.

- BPA responsible for online processing of claims was functioning without an MoA since inception in 2012. In absence of MoA, no performance parameters were enforceable on BPA. In 90 *per cent* of the delayed cases, BPA was also responsible for delay. These delays resulted in forfeiture of discount of ₹34.10 crore due to payment to the hospitals beyond prescribed period of 10 working days.

- Due to inadequate post audit of bills by the Regional PCsDA/CsDA, inflated bills of the empanelled hospitals could not be detected.

- The infrastructure created in terms of polyclinics was not being optimally utilised due to lack of manpower, equipment and medicines. Resultantly, polyclinics were forced to function as point of referral only to the empanelled facilities.

RECOMMENDATIONS

1. **Checks for unique enrollment of beneficiaries as per the entitlement followed by periodical verification/renewal to weed out ineligible beneficiaries should be enforced.**

2. **ECHS should ensure that rates and conditions prescribed by CGHS are scrupulously followed while processing the medical bills. Necessary internal controls need to be put in place.**

3. **Revised rates notified by CGHS should be implemented with immediate effect. MoA with the hospitals should include a specific clause about applicability of revised rates as notified by CGHS.**

4. **Workable and sufficient deterrents need to be incorporated in the MoA to discourage the hospitals from raising inflated bills, refusal of cashless service and non-adherence to other provisions of the MoA.**

5. **Provisions need to be included in the MoA to penalize the hospitals for raising EIR after the prescribed period of 48 hours. In no case, EIR should be accepted after the discharge of patients.**

6. **Strict adherence to the provisions of accounting of medicines/drugs procured for ECHS and Service hospitals separately and utilization for ECHS beneficiaries should be ensured.**

7. **Possibility may be explored to introduce a clause in MoA for availing discount on MRP of the medicines being provided by them to the patients.**

8. **Measures for authentication of beneficiaries should be put in place. All modules under MIS application at ECHS Polyclinics be made operational.**

9. Post Audit of paid vouchers should be done timely by the PCsDA to exercise the desired checks in time. Need for reconciliation for monthly bank and cash book balances be enforced.

(Parag Prakash)
Director General of Audit
Defence Services

New Delhi
Date: 05 December 2015

Countersigned

(Shashi Kant Sharma)
Comptroller and Auditor General of India

New Delhi
Date: 05 December 2015

ANNEXURES

ANNEXURE-I

(Referred to in paragraph 1.3)

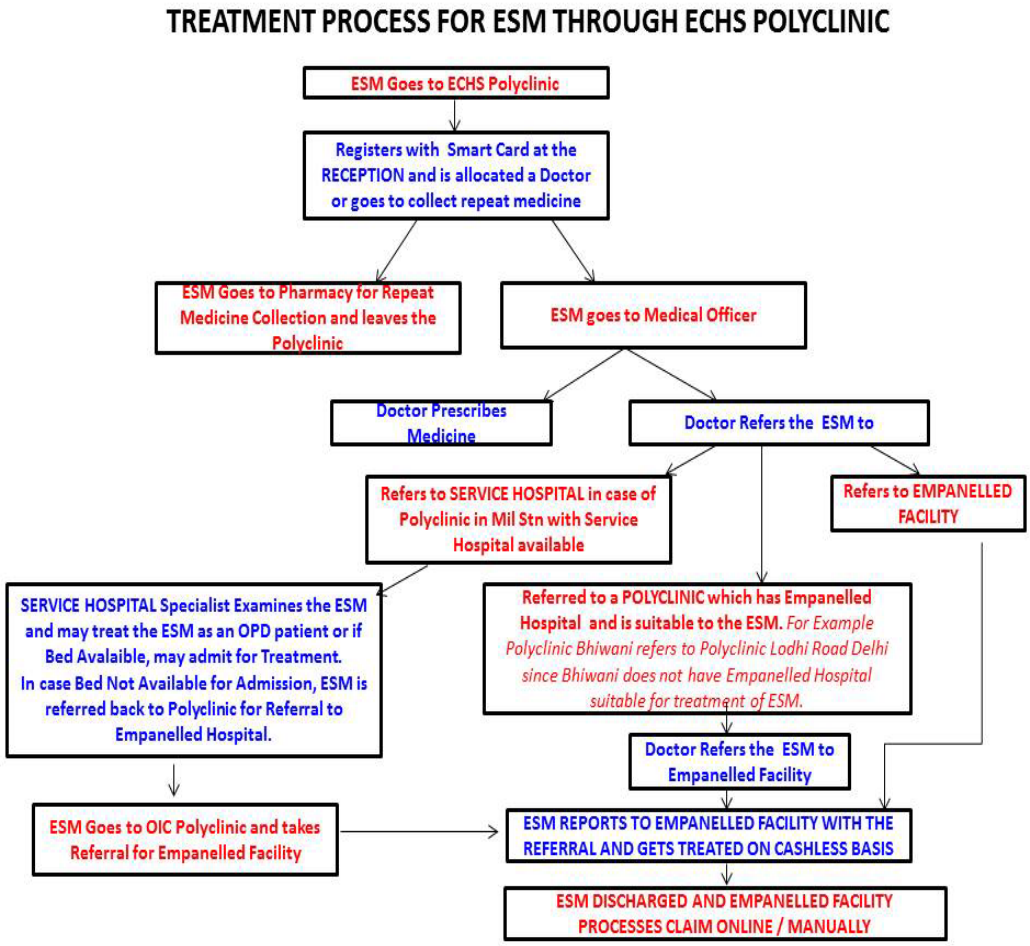
Authority-wise functions under ECHS

Authority	Responsibility/Function in relation to ECHS
MoD	Laying down of policy framework pertaining to the scheme
Secretary /Joint Secretary (ESW), Department of ESW under MoD	Exercising executive control over the scheme as per the policy framework.
Adjutant General (AG) under IHQ of MoD(Army)	Exercising both Administrative and Technical control of the Scheme. (i) **Administrative Control**. Through formation Headquarters for day to day functioning of the Scheme and implementation of policies. (ii) **Technical Control**. Formulation of policies with Central Organisation as subordinate office.
DG (D,C&W) under AG	Assisting AG in exercising Administrative and Technical control of the Scheme.
Command Headquarters	Exercising Administrative and Financial control on behalf of AG in their area of responsibility (AoR) and executing Scheme through subordinate formations and medical authorities.
Area HQ/Sub Area HQs	Exercising Administrative and Financial control of Station Headquarters in their AoR on behalf of Command Headquarter and process manual medical bills as required.
Station HQrs	Responsible for functioning and working of number of Polyclinics under their AoR on behalf of the Area/ Sub Area Headquarters to include employment of staff, acquisition of land, construction of Polyclinic building, maintenance and financial control.
OIC ECHS Cell Stn HQ	Assisting the Station Headquarters as Principal Staff Officer (PSO) for functioning and working of Polyclinic under their AoR.
Senior Executive Medical Officer(SEMO), at Service Hospital	(a) Responsible for procurement of medicines and vetting of Monthly Maintenance Figure (MMF) before demand placed with AFMSDs. (b) Assisting Station Headquarters during employment of Staff for Polyclinic. (c) Coordinating exploitation of spare bed capacity in Military Hospital. (d) Advising the Station Commander on technical aspects of the Polyclinics in his AoR.
MD, ECHS	(a) Planning, formulation, Government approval and issue of Government policies on the matters related to ECHS. (b) Ensuring policy implementation at all level. (c) Inter Service coordination. (d) Monitoring procurement of medical equipment, stores and medicines for ECHS beneficiaries. (e) Planning provision and allocation of budget to ECHS and further sub allotment to all spending agencies. (f) Empanelment of medical facilities. (g) Processing of Manual and On-line medical bills above ₹3 lakh. (h) Grievance Redressal.
Director, RC, ECHS	(a) Overseeing functioning of all the Polyclinics in its AoR. (b) Monitoring operationalisation of new Polyclinics under its jurisdiction. (c) Overseeing provisioning and issue of medicines and equipment of its Polyclinics. (d) Processing and payment of empanelled hospital bills. (e) Empanelment of new hospitals, where required. (f) Monitoring recruitment of staff in its Polyclinics. (g) Processing applications for issue of ECHS Cards. (h) Processing manual medical bills above ₹2 lakh.
OIC of PC	Administration of the PC which is designed to provide **'Out Patient Care'** involving consultation, essential investigation and provision of medicines.
Medical Officer/Dental Officer of the PC	Medical/dental consultation.

ANNEXURE-II

(Referred to in paragraph 2.2 A)

***(Source:** Taken from ECHS official website)*

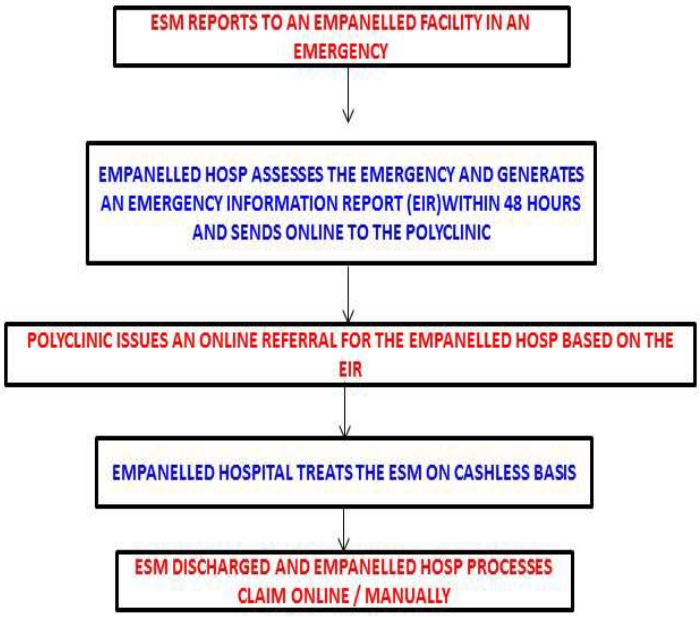


ANNEXURE-III

(Referred to in paragraph 2.2 B)

***(Source:** Taken from ECHS official website)*

TREATMENT PROCESS ECHS : EMERGENCY CASE IN EMPANELLED HOSP

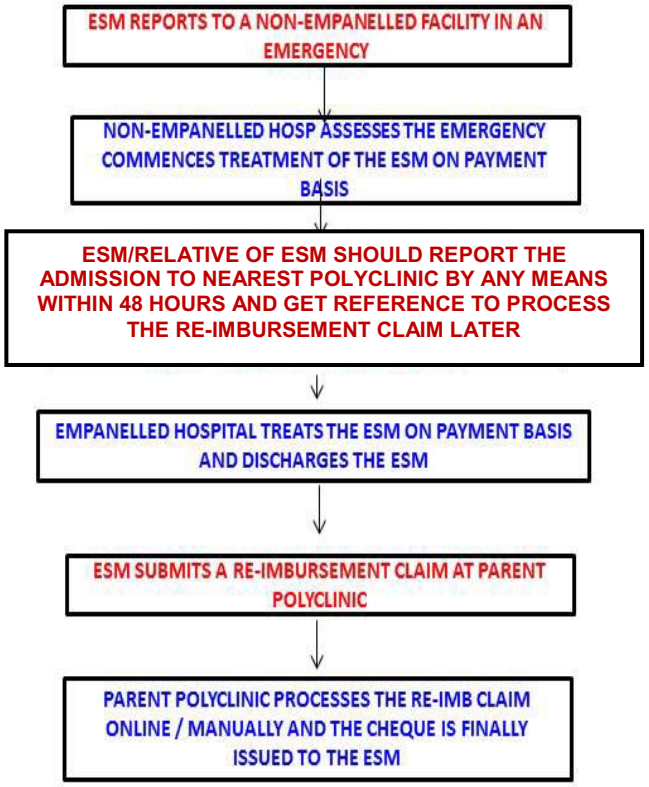


ANNEXURE-IV

(Referred to in paragraph 2.2 C)

***(Source:** Taken from ECHS official website)*

TREATMENT PROCESS ECHS : EMERGENCY CASE IN NON-EMPANELLED HOSP



ANNEXURE-V

(Referred to in paragraph 2.3.2)

Statement showing details of claims of dependent son on attaining age of 25 years or afterward

Sr. No.	ECHSNO	Pensioner Name	Name	Relation ship	Mentally Handicapped	Physically Disability	Claim_ID	Name Of ESM	Patient Name	Relation	Patient Type	Referral Type	Adm OPD Dt	Disch_Dt	Claim Amt	App Amt	Dep DOB	Age On Adm	Ref Number	Ref Iss Date
1	DL0021097	Omprakash Bhardwaj	Dinesh Bhardwaj	5	FALSE	No	2603504	Omprakash Bhardwaj	Dinesh Bhardwaj	Son	O	R	06-01-2015	06-01-2015	2040	2000	04-01-1990	25.02	PC228/26/12/2014/126/1	26-12-2014
2	**DL0029455**	**Mukesh**	**Manoj**	**5**	**FALSE**	**No**	**1110466**	**Mukesh**	**Manoj**	**Son**	**O**	**R**	**11-11-2013**	**11-11-2013**	**240**	**240**	**01-11-1988**	**25.04**	**236/1**	**11-11-2013**
3	**DL0025745**	**Soyvir Singh**	**Jitendra Singh**	**5**	**FALSE**	**No**	**528371**	**Soyvir Singh**	**Jitendra Singh**	**Son**	**O**	**R**	**29-03-2013**	**29-03-2013**	**389**	**339**	**14-03-1988**	**25.06**	**13/03/1810**	**26-03-2013**
4	CD0014083	Gamdur Singh	Sukhjit Singh	5	FALSE	No	2141581	Gamdur Singh	Sukhjit Singh	Son	I	R	29-09-2014	30-09-2014	21405	21150	25-09-1989	25.03	649/09/14	22-09-2014
5	**CD0014681**	**Mangal Singh**	**Parampal Singh**	**5**	**FALSE**	**No**	**981308**	**Mangal Singh**	**Parampal Singh**	**Son**	**O**	**R**	**21-10-2013**	**21-10-2013**	**45039**	**20811**	**19-12-1985**	**27.86**	**17848**	**21-10-2013**
6	**HY0019211**	**Jai Chand**	**Sandeep Kumar Yadav**	**5**	**FALSE**	**No**	**2301905**	**Jai Chand**	**Sandeep Kumar Yadav**	**Son**	**I**	**R**	**08-11-2014**	**09-11-2014**	**29757**	**29757**	**03-11-1989**	**25.03**	**PC180/07/11/2014/292/1**	**07-11-2014**
7	HY0019211	Jai Chand	Sandeep Kumar Yadav	5	FALSE	No	2367216	Jai Chand	Sandeep Kumar Yadav	Son	O	R	03-11-2014	03-11-2014	150	150	03-11-1989	25.02	PC180/01/11/2014/222/1	01-11-2014
8	**DL0040142**	**Shri Krishan**	**Ravinder Singh**	**5**	**FALSE**	**No**	**2261144**	**Shri Krishan**	**Ravinder Singh**	**Son**	**O**	**R**	**28-10-2014**	**28-10-2014**	**300**	**300**	**13-10-1989**	**25.06**	**pc182/28/10/2014/233/1**	**28-10-2014**
9	**PN0025684**	**Subramanian K**	**Sujith**	**5**	**FALSE**	**No**	**1857011**	**Subramanian K**	**Sujith**	**Son**	**O**	**R**	**30-07-2014**	**30-07-2014**	**60**	**60**	**03-07-1989**	**25.09**	**KZH/MIMS/6385**	**30-07-2014**
10	**CD0023928**	**Jaspal Singh**	**Jaswant Singh**	**5**	**FALSE**	**No**	**882316**	**Jaspal Singh**	**Jaswant Singh**	**Son**	**O**	**R**	**14-09-2013**	**14-09-2013**	**830**	**830**	**28-07-1988**	**25.15**	**15581**	**13-09-2013**
11	**JP0005056**	**Shiv Dayal Sharma**	**Raj Kumar**	**5**	**FALSE**	**No**	**902273**	**Shiv Dhyal Sharma**	**Raj Kumar**	**Son**	**O**	**R**	**18-09-2013**	**18-09-2013**	**183**	**183**	**16-02-1988**	**25.61**	**PC182/05/09/2013/281/1**	**05-09-2013**
12	JP0005056	Shiv Dayal Sharma	Raj Kumar	5	FALSE	No	903344	Shiv Dayal Sharma	Raj Kumar	Son	O	R	19-09-2013	19-09-2013	614	614	16-02-1988	25.61	PC182/129/1	19-09-2013
13	**KC0021750**	**Raju P D**	**Ranju R P**	**5**	**FALSE**	**No**	**606741**	**Raju P D**	**Ranju R P**	**Son**	**O**	**R**	**18-05-2013**	**18-05-2013**	**280**	**280**	**15-03-1988**	**25.19**	**15658/MMC-P/UTI/MAY13/PTA**	**17-05-2013**
14	**PN0054367**	**Rajbir Singh**	**Ajeet Singh**	**5**	**FALSE**	**No**	**862023**	**Rajbir Singh**	**Ajeet Singh**	**Son**	**I**	**R**	**04-09-2013**	**12-09-2013**	**43134**	**34732**	**01-09-1988**	**25.02**	**PC228/04/09/2013/179/1**	**04-09-2013**
15	DL0045878	Rajesh Rai	Nivesh Kumar Rai	5	FALSE	No	1218497	Rajesh Rai	Nivesh Kumar Rai	Son	O	R	14-01-2014	14-01-2014	876	826	07-01-1989	25.04	PC163/28/12/2013/62/1	28-12-2013
16	DL0055084	Satyendra Pandit	Abir Pandit	5	FALSE	No	1780624	Satyendra Pandit	Abir Pandit	Son	O	R	17-06-2014	17-06-2014	830	830	23-05-1989	25.08	PC402/22/05/2014/378/1	22-05-2014

17	**DL0053749**	**Satpal Singh**	**Sandeep Kumar**	**5**	**FALSE**	**No**	**965156**	**Satpal Singh**	**Sandeep Kumar**	**Son**	**O**	**R**	**05-07-2013**	**05-07-2013**	**50**	**50**	**04-04-1988**	**25.27**	**PC180/04/ 07/2013/151/1**	**04-07-2013**
18	**DL0053749**	**Satpal Singh**	**Sandeep Kumar**	**5**	**FALSE**	**No**	**922764**	**Satpal Singh**	**Sandeep Kumar**	**Son**	**O**	**R**	**04-07-2013**	**04-07-2013**	**60**	**60**	**04-04-1988**	**25.27**	**PC180/04/ 07/2013/152/1**	**04-07-2013**
19	**KC0031146**	**Rakesh Babu**	**Rahul Kumar**	**5**	**FALSE**	**No**	**132281**	**Rakesh Babu**	**Rahul Kumar**	**Son**	**O**	**R**	**21-07-2012**	**21-07-2012**	**200**	**170**	**24-02-1987**	**25.42**	**PC173/20/ 07/2012/201/1**	**20-07-2012**
20	**CD0034924**	**Shamsher Singh**	**Jaswinder Singh**	**5**	**FALSE**	**No**	**697288**	**Shamsher Singh**	**Jaswinder Singh**	**Son**	**O**	**R**	**28-06-2013**	**28-06-2013**	**1163**	**1069**	**28-06-1988**	**25.02**	**17**	**28-06-2013**
21	**LK0053237**	**Ram Kumar, Sm**	**Pramod Kumar**	**5**	**FALSE**	**No**	**339221**	**Ramkumar Sm**	**Pramod Kumar**	**Son**	**O**	**R**	**06-10-2012**	**06-10-2012**	**50**	**50**	**15-09-1987**	**25.08**	**PC180/06/ 10/2012/274/1**	**06-10-2012**
22	**HY0043240**	**Gopal Ram**	**Amit Kumar Kohali**	**5**	**FALSE**	**No**	**2695847**	**Gopal Ram**	**Amit Kumar Kohali**	**Son**	**O**	**R**	**20-02-2015**	**20-02-2015**	**2758**	**2758**	**20-02-1990**	**25.02**	**pc173/20/ 02/2015/75/2**	**20-02-2015**
23	HY0046698	G N Bharti	Ashieshk	5	FALSE	No	2471723	G N Bharti	Ashieshk	Son	I	E	22-12-2014	27-12-2014	22121	21494	02-07-1989	25.49		23-12-2014
24	CD0043302	Malkiat Singh	Harjinder Singh	5	FALSE	No	158989	Malkit Singh	Harjinder Singh	Son	I	R	21-08-2012	23-08-2012	12000	10800	19-08-1987	25.02	13066	08-08-2012
25	DL0065103	Balkishan	Vivek	5	FALSE	No	2437229	Balkishan	Vivek	Son	O	R	24-11-2014	24-11-2014	305	305	24-11-1989	25.02	PC402/20/ 11/2014/176/2	20-11-2014
26	DL0065103	Balkishan	Vivek	5	FALSE	No	2642832	Balkishan	Vivek	Son	O	R	04-12-2014	04-12-2014	150	150	24-11-1989	25.04	PC402/24/ 11/2014/195/1	24-11-2014
27	DL0065103	Balkishan	Vivek	5	FALSE	No	2644191	Balkishan	Vivek	Son	O	R	04-12-2014	04-12-2014	150	150	24-11-1989	25.04	PC402/20/ 11/2014/176/4	20-11-2014
28	DL0064090	Harish Lata	Rohan Mamgain	5	FALSE	No	1491588	Harishi Kant Mamgain	Rohan Mamgain	Son	O	R	28-02-2014	28-02-2014	5000	2500	27-02-1989	25.02	PC192/01/ 02/2014/40/1	01-02-2014
29	DL0064090	Harish Lata	Rohan Mamgain	5	FALSE	No	1512920	Harishi Kant Mamgain	Rohan Mamgain	Son	O	R	11-03-2014	11-03-2014	1400	1400	27-02-1989	25.05	PC192/25/ 02/2014/406/1	25-02-2014
30	**CD0071839**	**Gurbachan Singh**	**Malkit Singh**	**5**	**FALSE**	**No**	**1895664**	**Gurbachan Singh**	**Malkit Singh**	**Son**	**O**	**R**	**11-08-2014**	**11-08-2014**	**226**	**226**	**12-02-1989**	**25.51**	**93**	**09-08-2014**
31	**DL0071272**	**Pritam Lal Sharma**	**Nitin**	**5**	**FALSE**	**No**	**1003155**	**Pritam Lal Sharma**	**Nitin**	**Son**	**O**	**R**	**24-09-2013**	**24-09-2013**	**17519**	**14959**	**01-02-1987**	**26.66**	**8**	**11-09-2013**
32	**DL0071272**	**Pritam Lal Sharma**	**Nitin**	**5**	**FALSE**	**No**	**1885120**	**Pritam Lal Sharma**	**Nitin**	**Son**	**O**	**R**	**07-05-2014**	**07-05-2014**	**9716**	**9169**	**01-02-1987**	**27.28**	**8/13/chm**	**04-05-2014**
33	**DL0071272**	**Pritam Lal Sharma**	**Nitin**	**5**	**FALSE**	**No**	**2100964**	**Neelam Sharma**	**Nitin**	**Son**	**O**	**R**	**17-07-2014**	**17-07-2014**	**20200**	**4200**	**01-02-1987**	**27.47**	**8/13/chm,**	**07-05-2014**
34	**JB0058897**	**Israr Babu**	**Muqueem Mansoori**	**5**	**FALSE**	**No**	**1807347**	**Israr Babu**	**Muqueem Mansoori**	**Son**	**I**	**E**	**13-07-2014**	**13-07-2014**	**8452**	**8452**	**30-06-1989**	**25.05**	**na**	**15-07-2014**
35	HY0091153	Mahi Pal Singh Rawat	Ajay Singh Rawat	5	FALSE	No	1820760	Mahi Pal Singh Rawat	Ajay Singh Rawat	Son	O	R	03-08-2014	03-08-2014	1070	1070	27-07-1989	25.04	pc173/18/ 07/2014/230/1	18-07-2014
36	**DL0122065**	**Prahlad Singh**	**Narender Singh**	**5**	**FALSE**	**No**	**1769943**	**Prahlad Singh**	**Narender Singh**	**Son**	**O**	**R**	**02-07-2014**	**02-07-2014**	**100**	**100**	**03-03-1989**	**25.35**	**192/1**	**02-07-2014**
															Total	**192234**				

Note:- Rows in bold indicates that referral was issued to dependent son on or after attaining age of 25 years (22 nos. of claims)

Source of data: *Data on medical reimbursement claims provided by MD, ECHS.*

ANNEXURE-VI

(Referred to in paragraph 2.3.3)

Details showing analysis of biometric checks at Polyclinics

Sl. No.	Name of Polyclinic	Details of OPD Registration (in percentage)						
		Is Finger Print Authenticated (Bit Is FP Authenticated) (*i.e.* where field value is "False" or "True")		Authentication Status (Str FP Auth Reason / Int Authentication Status)				
		False	True	Not specified (*i.e.* where field value is "Null")	Patient is carrying card and passed through biometric authentication (*i.e.* where field value is "1")	Patient is carrying card but not passed through biometric authentication (*i.e.* where field value is "2")	Patient is not carrying card but has an approval from OIC Polyclinic (*i.e.* where field value is "4")	Patient is not carrying card (*i.e.* where field value is "5")
1	Base Hospital Delhi Cantt	**94.23%**	5.77%	2.92%	3.61%	**87.95%**	0.68%	4.85%
2	Chandigarh	**95.96%**	4.04%	1.43%	3.12%	**90.26%**	1.00%	4.19%
3	Dehradun	**97.57%**	2.43%	1.64%	0.82%	**93.75%**	0.69%	3.10%
4	Jammu	**99.24%**	0.76%	0.90%	0.07%	**84.96%**	1.16%	12.91%
5	Lucknow	**96.37%**	3.63%	1.72%	1.91%	**89.86%**	2.82%	3.68%
6	Ludhiana	**99.63%**	0.37%	0.26%	0.36%	**90.46%**	0.95%	7.96%
7	Pune	**96.51%**	3.49%	2.85%	0.63%	**87.09%**	6.83%	2.59%
8	Satara	**94.20%**	5.80%	0.90%	4.90%	**92.56%**	1.64%	--
9	Trivandrum	**99.76%**	0.24%	0.19%	0.07%	**93.92%**	1.31%	4.52%
10	Varanasi	**44.20%**	55.80%	0.19%	55.61%	**42.09%**	2.10%	0.00%

Source : *Data in Table viz. tblOpd Detail of MIS Database of Polyclinics provided by Central Organisation*

ANNEXURE-VII

(Referred to in paragraph 2.5.3-first bullet)

Delay in intimation of Emergency IPD claims by empanelled hospitals

Year	**Total Nos. of Emergency IPD claims settled in r/o empanelled hospitals**	**Nos. of Emergency IPD claims where intimation was delayed (*i.e.* after stipulated 48 hours)**		**Nos. of cases where emergency intimation was made after discharge of patient**	
		Nos. of Claims	Delay ranging (days)	Nos. of Claims	Delay ranging (days)
2012-13	18639	7383	3 - 305	5041	1 – 295
2013-14	47707	8208	3 – 584	5958	1 – 578
2014-15	69173	9443	3 – 497	6837	1 – 478
Total	**135519**	**25034 (18%)**		**17836 (13%)**	

Source of data: *Data on medical reimbursement claims provided by MD, ECHS.*

ANNEXURE-VIII

(Referred to in paragraph 2.5.3-Second bullet)

Details of EIR claims raised on nearest vis-à-vis other than nearest polyclinics

Name of Region	Hospital Name	Polyclinic Name	Nos. of Claims	Polyclinic wise percentage of EIR Claims of a Hospital
Chandimandir	Alchemist Hospitals Ltd, Panchkula	Chandigarh	242	37.52%
		Chandimandir (Nearest)	403	62.48%
	Amar Hospital, Mohali	Chandimandir	105	47.73%
		Mohali (Nearest)	115	52.27%
	Fortis Hospital - Mohali	Chandigarh	2,129	35.49%
		Chandimandir	946	15.77%
		Mohali (Nearest)	2,924	48.74%
	Grecian Super - Speciality Hospital, Mohali	Chandigarh	373	30.08%
		Chandimandir	360	29.03%
		Mohali (Nearest)	507	40.89%
	Indus Super Speciality Hospital, Mohali	Chandigarh	269	17.17%
		Chandimandir	329	21.00%
		Mohali (Nearest)	969	61.84%
	IVY Health & Life Sciences Pvt Ltd - Khanna	Doraha (Nearest)	137	54.80%
		Fatehgarh Sahib	113	45.20%
	IVY Health & Life Sciences Pvt Ltd - Mohali	Chandigarh	925	28.79%
		Chandimandir	656	20.42%
		Mohali (Nearest)	1,632	50.79%
	Max Super Speciality Hospital (A Unit of Hometrail Estate Pvt Ltd), Mohali	Chandigarh	200	29.85%
		Chandimandir	168	25.07%
		Mohali (Nearest)	302	45.07%
	Mukat Hospital & Heart Institute - Chandigarh	Chandigarh (Nearest)	469	54.92%
		Chandimandir	248	29.04%
		Mohali	137	16.04%
	Silver Oaks Hospital, Mohali	Chandigarh	590	40.80%
		Chandimandir	267	18.46%
		Mohali (Nearest)	589	40.73%
Delhi	Artemis Medicare Services Limited, Gurgaon	Gurgaon	461	13.30%
		Gurgaon (Sohana Rd) (Nearest)	3,005	86.70%
	Batra Hospital & Medical Research Centre, Khanpur, Delhi	Base Hosp(Delhi Cantt)	181	29.53%
		Khanpur (Nearest)	432	70.47%
	Bhagwati Hospital (A Unit of Sarvodaya Health Foundation), Rohini, Delhi	Base Hosp(Delhi Cantt)	557	35.25%
		Shakurbasti (Nearest)	1,023	64.75%
	Delhi Heart & Lung Institute, Panchkuia Road, Delhi	New Delhi (Lodhi Road)	296	25.76%
		Base Hosp(Delhi Cantt) (Nearest)	853	74.24%

Name of Region	Hospital Name	Polyclinic Name	Nos. of Claims	Polyclinic wise percentage of EIR Claims of a Hospital
	DR B L Kapur Memorial Hospital, Patel Nagar, Delhi	New Delhi (Lodhi Road)	103	26.08%
		Base Hosp(Delhi Cantt) (Nearest)	292	73.92%
	Jain Hospital (A Unit of Jain Neuro& IVF Hospitals Pvt Ltd), Vikas Marg, Delhi	New Delhi (Lodhi Road)	168	47.73%
		Base Hosp(Delhi Cantt) (Nearest)	184	52.27%
	Maharaja Agrasen Hospital, Punjabi Bagh, Delhi	Base Hosp(Delhi Cantt)	770	40.94%
		Shakurbasti (Nearest)	1,111	59.06%
	Max Devki Devi Heart & Vascular Institute, Saket, Delhi	New Delhi (Lodhi Road)	259	41.84%
		Khanpur (Nearest)	360	58.16%
	National Heart Institute, East of Kailash, Delhi	New Delhi (Lodhi Road) (Nearest)	335	67.54%
		Base Hosp(Delhi Cantt)	161	32.46%
	Noida Medicare Centre Ltd, Noida	Noida (Nearest)	923	60.45%
		Base Hosp(Delhi Cantt)	604	39.55%
	Prayag Hospital & Research Centre, Noida	Noida (Nearest)	607	71.08%
		Base Hosp(Delhi Cantt)	247	28.92%
	Pushpanjali Hospital, Civil Lines, Gurgaon	Gurgaon	110	36.07%
		Gurgaon (Sohana Rd) (Nearest)	195	63.93%
	Rockland Hospital, Qutub Institutional Area, Delhi	New Delhi (Lodhi Road) (Nearest)	275	40.86%
		Base Hosp(Delhi Cantt)	398	**59.14%**
	Saroj Hospital & Heart Institute, Rohini, Delhi	Base Hosp(Delhi Cantt)	269	42.36%
		Shakurbasti (Nearest)	366	57.64%
	Satya Medical Centre, Noida	Faridabad	152	18.83%
		Ghaziabad (Hindon)	316	39.15%
		Noida (Nearest)	339	42.00%
	Sumitra Hospital, Noida	Noida (Nearest)	290	74.17%
		Base Hosp(Delhi Cantt)	101	25.83%
	Umkal Hospital, SushantLok, Gurgaon	Gurgaon	214	45.53%
		Gurgaon (Sohana Rd) (Nearest)	256	54.47%
	Vinayak Hospital, Noida	Noida (Nearest)	342	61.62%
		Base Hosp(Delhi Cantt)	213	38.38%
Jalandhar	ESCORTS HEART & SUPER SPECIALITY INSTITUTE LTD, Amritsar	Amritsar (Nearest)	276	37.70%
		Batala	126	17.21%
		Gurdaspur	200	27.32%
		TaranTaran	130	17.76%
Kochi	Al Shifa Hospital Pvt Ltd, Triunelveli	Palakkad	144	14.62%
		Perinthelmanna (Nearest)	841	85.38%
	Amala Cancer Hospital & Research Centre, Thrissur	Kunnamkulam	185	30.78%
		Thrissur (Nearest)	416	69.22%
	Amrita Institute of Medical Sciences And Research Centre, Kochi	Alappuzha	371	46.03%
		Kochi (Nearest)	435	53.97%

Name of Region	Hospital Name	Polyclinic Name	Nos. of Claims	Polyclinic wise percentage of EIR Claims of a Hospital
	Malabar Institute of Medical Sciences Ltd., Palakkad	Kannur	158	**12.75%**
		Kozhikode (Nearest)	1,081	87.25%
	Valluvanad Hospital Complex Ltd, Palakkad	Palakkad (Nearest)	271	70.39%
		Perinthelmanna	114	29.61%
Trivandrum	Amrita Institute of Medical Sciences And Research Centre, Kochi	Mavelikara	345	28.80%
		Pathanamthitta (Nearest)	530	44.24%
		Quilon (Kollam)	323	26.96%
	Century Hospital, Chengannur, Alleppey	Mavelikara	348	29.49%
		Pathanamthitta (Nearest)	832	70.51%
	Holy Cross Hospital, Court Road, Manjeri- 676121	Kottarakara	256	15.00%
		Quilon (Kollam) (Nearest)	1,451	85.00%
	Muthoot Health Care Private Limited - Kozhencherry	Pathanamthitta (Nearest)	1,325	84.61%
		Ranni	241	15.39%
	St. Gregorios Cardiovascular Centre – Parumala, Pathanamthitta	Mavelikara	184	49.86%
		Pathanamthitta (Nearest)	185	50.14%

Source: *Data on medical reimbursement claims provided by MD, ECHS*

ANNEXURE-IX

(Referred to in paragraph 2.5.3)

Analysis of reasons for rejection of EIR

Reasons for rejection	**Nos. of rejected EIRs**
Already approved with other ID, incomplete documents, double/duplicate EIR, wrong data/entry, cancel as per hospital request, *etc.*	855
Approach to nearest polyclinic	297
Approach to parent polyclinic as beneficiary data not available with polyclinic	104
Not being an emergency case	246
Without assigning any reasons	235
Delayed intimation	110
Total	**1847**

Source of data/information: *Data on medical reimbursement claims provided by MD, ECHS.*

ANNEXURE-X

(Referred to in paragraph 2.5.4)

Raising of claims by two empanelled hospitals for the same patients during the overlapping period

Sl No	Region	Card Id	Name Of ESM	Patient Name	[Details of Claim in which patient was admitted as IPD (col. - A)]							[Details of Claims of same patients for same period under which patient was already admitted as IPD claims (as given in col.A)]						
					Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amt Paid	Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amount Paid
1	Delhi	JP0029769	Khajan	Khajan	1425438	I	R	Umkal Hospital	17-12-2012	19-12-2012	8079	380035	I	R	Sheetla Hospital & Eye Institute Pvt Ltd	18-12-2012	23-12-2012	38266
2	Delhi	JP0071689	Hawa Singh	Vimala Devi	400916	I	E	Umkal Hospital	21-01-2013	02-02-2013	5869	411787	I	R	Pushpanjali Hospital	30-01-2013	30-01-2013	18000
3	Delhi	DL0061589	Omkar	Laxmi Devi	191759	I	R	Umkal Hospital	27-08-2012	29-08-2012	8048	186198	I	E	Kalyani Hospital Pvt Ltd	28-08-2012	29-08-2012	5442
4	Delhi	DL0133347	Dayanand	Dayanand	375236	I	R	Ahooja Eye & Dental Institute	08-11-2012	24-12-2012	14238	327317	I	R	Kalyani Hospital Pvt Ltd	30-11-2012	01-12-2012	9000
5	Delhi	JP0069786	Shakutla	Jagbir Singh	129474	I	E	Maharaja Agrasen Hospital	17-07-2012	30-07-2012	135908	142323	I	R	Rockland Hospital	26-07-2012	27-07-2012	13315
6	Delhi	DL0044669	Bishan Singh	Shri Devi	22039	I	E	Delhi Heart & Lung Institute	10-04-2012	28-04-2012	44813	17995	I	R	Rockland Hospital	24-04-2012	26-04-2012	21776
7	Delhi	PN0002500	Surender Kumar	Bharpai	307492	I	R	Kalyani Hospital Pvt Ltd	15-11-2012	24-11-2012	34593	316656	I	R	Rockland Hospital	23-11-2012	01-12-2012	98426
8	Delhi	DL0105656	Kishan	Kishan	400927	I	R	Sarvodaya Hospital & Research Centre	21-01-2013	24-01-2013	15893	402202	I	R	RG Stone Urology & Laparoscopy Hospital	22-01-2013	22-01-2013	305
9	Delhi	DL0042993	Bhoop Singh Dahiya	Bhoop Singh Dahiya	101970	I	E	Saroj Hospital & Heart Institute	27-06-2012	07-07-2012	70298	107285	I	R	DR B L KapurMemorial Hospital	04-07-2012	07-07-2012	32720
10	Delhi	PN0009938	Jagvir	Duli Chand	78591	I	R	Delhi Heart & Lung Institute	07-06-2012	30-06-2012	124466	94639	I	R	DR B L Kapur Memorial Hospital	25-06-2012	02-07-2012	33866
11	Delhi	LK0123741	Bhopal Singh Malik	Bhopal Singh Malik	448296	I	E	National Heart Institute	24-02-2013	28-02-2013	26216	454984	I	R	Kailash Hospital & Heart Institute	27-02-2013	05-03-2013	47133
12	Delhi	DL0083699	Kishan Chand Saini	Prem Latta Saini	343162	I	E	Sarvodaya Hospital & Research Centre	12-12-2012	22-01-2013	297056	399878	I	R	Max Super Speciality Hospital - Patparganj	21-01-2013	03-02-2013	174026
13	Delhi	DL0001201	T B Nanda	T B Nanda	298219	I	E	Fortis Flt Lt.RajanDhall Hospital	06-11-2012	09-11-2012	44925	298059	I	E	Escorts Heart Institute & Research Centre Ltd - Okhla	07-11-2012	10-11-2012	179975
14	Delhi	DL0000866	Rajpal Singh Diol	Rajpal Singh Diol	165037	I	E	Kailash Hospital & Heart Institute	12-08-2012	21-09-2012	720675	172091	I	R	Icare Eye Hospital And Post Graduate Institute (A Unit of Ishwar Charitable Trust)	17-08-2012	17-08-2012	7800

Sl No	Region	Card Id	Name Of ESM	Patient Name	[Details of Claim in which patient was admitted as IPD (col. - A)]							[Details of Claims of same patients for same period under which patient was already admitted as IPD claims (as given in col.A)]						
					Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amt Paid	Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amount Paid
15	Delhi	JP0052305	Raghubir Singh	Raghubir Singh	56813	I	E	RLKC Hospital & Metro Heart Institute	28-05-2012	02-06-2012	158150	58442	I	R	Metro Hospital & Heart Institute - Noida	30-05-2012	03-06-2012	16121
16	Delhi	LK0122362	Kartar Singh	Kartar Singh	53397	I	R	Kailash Hospital & Heart Institute	26-04-2012	03-06-2012	167868	44265	I	E	Kailash Hospital Ltd	18-05-2012	25-05-2012	26691
17	Chandi-mandir	LK0122743	Purshotam Chand	Veena Devi	285681	I	R	Silver Oaks Hospital	31-10-2012	12-11-2012	15587	294554	I	R	Max Super Speciality Hospital (A Unit of Hometrail Estate Pvt Ltd)	07-11-2012	10-11-2012	72233
18	Chandi-mandir	DL0082365	Madan Lal	Madan Lal	148852	I	R	IVY Health & Life Sciences Pvt Ltd - Mohali	31-07-2012	06-08-2012	26354	158101	I	E	ACE HEART AND VASCULAR INSTITUTE	05-08-2012	08-08-2012	28425
19	Chandi-mandir	CD0015572	Jarnail Singh	Jarnail Singh	238267	I	E	Sri Guru Harkrishna Sahib (C) Eye Hospital Trust Sohana	28-09-2012	01-10-2012	11853	241591	I	E	Fortis Hospital - Mohali	30-09-2012	05-10-2012	228550
20	Chand-imandir	DL0129390	Nanha Ram	Nanha Ram	242137	I	E	Grecian Super - Speciality Hospital	01-10-2012	08-10-2012	22155	250684	I	E	Fortis Hospital - Mohali	05-10-2012	08-10-2012	134503
21	Delhi	DL0090959	Rati Ram	Rati Ram	268140	I	E	Umkal Hospital	11-10-2012	13-10-2012	7776	899555	I	E	Artemis Medicare Services Limited	12-10-2012	13-10-2012	32025
22	Delhi	DL0109110	Jitendra Singh	Jitendra Singh	518811	I	E	Prakash Hospital Pvt Ltd	04-04-2013	13-04-2013	32609	534194	I	R	Kailash Hospital & Heart Institute	12-04-2013	15-04-2013	10014
23	Delhi	DL0112633	Hukam Singh	Hukam Singh	795041	I	R	Narinder Mohan Hospital and Heart Centre	07-08-2013	11-08-2013	14580	801795	I	R	PannalalShyamlal Hospital	08-08-2013	16-08-2013	47446
24	Delhi	DL0009130	Daryao Singh	Daryao Singh	913616	I	E	Umkal Hospital	23-09-2013	27-09-2013	23358	924073	I	R	Park Hospital (A Unit of Park Medicentres& Institutions Pvt Ltd)	26-09-2013	21-10-2013	245369
25	Delhi	JP0049359	Mahabir Singh	Mahabir Singh	503858	I	E	Metro Hospital & Heart Institute - Noida	29-03-2013	12-04-2013	555251	507998	I	E	Metro Hospital & Heart Institute - Lajpat Nagar	01-04-2013	01-04-2013	2694
26	Kolkata	BA0008189	Sanjib Chakraborty	Purnima Chakraborty	1391585	I	E	ECO Hospital & Diagnostics	14-03-2014	25-03-2014	28903	1396016	I	R	Apollo Gleneagles Hospital Limited	19-03-2014	19-03-2014	7650
27	Trivandrum	KC0033733	G Ravindran Nair	G Ravindran Nair	901547	I	R	Sreekantapuram Hospital	22-09-2013	24-09-2013	5677	910548	I	E	St. Gregorios Cardiovascular Centre - Parumala	23-09-2013	17-10-2013	52614
28	Trivandrum	KC0089111	P R Raghavan	P R Raghavan	546850	I	E	MGM Muthoot Medical Centre - Pathanamthitta	18-04-2013	22-04-2013	27227	1064299	I	E	Amrita Institute of Medical Sciences And Research Centre	21-04-2013	21-04-2013	9674
29	Trivandrum	KC0039688	Kochukunju Abdul Rahumankutty	Rafeeka	1110315	I	E	Huda Trust Hospital	05-12-2013	10-12-2013	7800	1111789	I	E	Amrita Institute of Medical Sciences And Research Centre	07-12-2013	13-12-2013	27682

Sl No	Region	Card Id	Name Of ESM	Patient Name	[Details of Claim in which patient was admitted as IPD (col. - A)]							[Details of Claims of same patients for same period under which patient was already admitted as IPD claims (as given in col.A)]						
					Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amt Paid	Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amount Paid
30	Trivandrum	KC0062947	Nadayil Kochukuttan Bhaskaran	Nadayil Kochukuttan Bhaskaran	1242476	I	R	St.Thomas Hospital - Chethipuzha	24-01-2014	31-01-2014	14210	1256323	I	R	Amrita Institute of Medical Sciences And Research Centre	29-01-2014	07-02-2014	42690
31	Trivandrum	KC0006145	Chacko Philipose	Chacko Philipose	559339	I	R	St.Thomas Hospital - Chethipuzha	24-04-2013	27-04-2013	7408	562963	I	R	Amrita Institute of Medical Sciences And Research Centre	26-04-2013	30-04-2013	8686
32	Trivandrum	JB0019008	Saji Thomas	Steffy Saji	666637	I	E	MGM Muthoot Medical Centre - Pathanamthitta	13-06-2013	15-06-2013	3934	672475	I	E	Amrita Institute of Medical Sciences And Research Centre	14-06-2013	25-06-2013	33890
33	Trivandrum	KC0059624	Santhamma	Santhamma	878035	I	E	Muthoot Health Care Private Limited - Kozhencherry	10-09-2013	12-09-2013	6745	881648	I	E	Amrita Institute of Medical Sciences And Research Centre	11-09-2013	18-09-2013	38059
34	Trivandrum	KC0092988	Pappachan Philip	Pappachan Philip	944778	I	E	Holy Cross Hospital	07-10-2013	10-10-2013	16544	954739	I	E	Amrita Institute of Medical Sciences And Research Centre	09-10-2013	07-11-2013	110584
35	Trivandrum	KC0049238	Abraham Mathukutty	Abraham Mathukutty	86625	I	R	Century Hospital	20-06-2012	29-06-2012	21648	959339	I	E	Amrita Institute of Medical Sciences And Research Centre	28-06-2012	06-07-2012	63472
36	Pune	HY0119499	B D Gaikwad	Ranjana Gaikwad	539501	I	R	Bhagirathi Accident Hospital	18-04-2013	24-04-2013	21960	552415	I	E	JSF's AnandRishiji Hospital & MRC	21-04-2013	26-04-2013	11211
37	Pune	PN0112930	Popat B Chavan	Bhagwanrao Chavan	688070	I	R	Noble Hospital & Research Centre A Nagar	24-06-2013	24-07-2013	27520	733658	I	R	JSF's AnandRishiji Hospital & MRC	14-07-2013	14-07-2013	870
38	Pune	PN0060894	Govind S Vavhare	Govind S Vavhare	712077	I	R	Noble Hospital & Research Centre A Nagar	04-07-2013	03-08-2013	16403	734681	I	R	JSF's AnandRishiji Hospital & MRC	13-07-2013	15-07-2013	4467
39	Pune	PN0193026	N G Joseph	Lijo Joseph	692662	I	R	Vasudha Fracture and Backache Clinic	29-06-2013	06-07-2013	10537	697943	I	R	Noble Hospital & Research Centre A Nagar	01-07-2013	01-07-2013	10000
40	Chandi-mandir	CD0007325	Swarn Singh	Nasib Kaur	501991	I	R	Indus Super Speciality Hospital	27-03-2013	04-04-2013	14550	516016	I	E	Max Super Speciality Hospital (A Unit of Hometrail Estate Pvt Ltd)	03-04-2013	10-04-2013	79139
41	Chand-imandir	CD0146697	Gajjan Singh	Surjit Kaur	966401	I	E	Indus Super Speciality Hospital	15-10-2013	23-10-2013	42512	985528	I	E	Max Super Speciality Hospital (A Unit of Hometrail Estate Pvt Ltd)	22-10-2013	28-10-2013	132365
42	Secund-erabad	HY0047491	Satayanna	Jammlamma	1170232	I	R	Krishna Institute of Medical Sciences Ltd	30-12-2013	29-01-2014	19764	1250411	I	R	Apollo Hospitals - Jubliee Hills	27-01-2014	22-02-2014	828418
43	Secund-erabad	HY0026316	G M Basha	G M Basha	1219085	I	R	Krishna Institute of Medical Sciences Ltd	16-01-2014	14-02-2014	44502	1239792	I	E	Yashoda Super Speciality Hospital - Secunderabad	23-01-2014	28-01-2014	34898

Sl No	Region	Card Id	Name Of ESM	Patient Name	[Details of Claim in which patient was admitted as IPD (col. - A)]							[Details of Claims of same patients for same period under which patient was already admitted as IPD claims (as given in col.A)]						
					Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amt Paid	Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amount Paid
44	Secund-erabad	HY0002310	Shaik Ghouse Basha	Shabiha Basha	1333811	I	R	Yashoda Super Speciality Hospital - Secunderabad	03-03-2014	05-04-2014	188000	1415377	I	R	Yashoda Super Speciality Hospital - Rajbhavan Road	01-04-2014	01-04-2014	63513
45	Kochi	KC0108777	T P Kunchu Menon	T P Kunchu Menon	958204	I	E	Sai Hospital	10-10-2013	13-10-2013	12506	962817	I	E	Thangam Hospital of PMRC	12-10-2013	20-10-2013	49952
46	Kochi	KC0052610	Bhaskaran Balakrishnan	Bhaskaran Balakrishnan	1439797	I	E	Huda Trust Hospital	29-03-2014	03-04-2014	8569	1439460	I	E	Amrita Institute of Medical Sciences And Research Centre	30-03-2014	12-04-2014	90429
47	Kochi	KC0024889	Rajappan Sasidharan Pillai	Rajappan Sasidharan Pillai	973715	I	E	Huda Trust Hospital	17-10-2013	19-10-2013	2554	976850	I	E	Amrita Institute of Medical Sciences And Research Centre	18-10-2013	25-10-2013	21628
48	Jaipur	DL0064692	Hanuman Prasad	Hanuman Prasad	1350539	I	E	Dhanvantri Life Care Pvt Ltd-Jaipur	02-03-2014	04-03-2014	6875	1354455	I	E	SantokbaDurlabhji Memorial Hospital-Jaipur	03-03-2014	08-03-2014	19579
49	Jalandhar	CD0091494	Lal Chand Gill	Lal Chand Gill	921657	I	E	Kidney Hospital & Lifeline Medical Institution	26-08-2013	04-10-2013	79419	893026	I	E	Ghai Hospital	17-09-2013	27-09-2013	33024
50	Jalandhar	CD0048967	Swaran Singh	Swaran Singh	1371160	I	R	S G L Super Speciality Charitable Hospital	10-03-2014	13-03-2014	10888	1383013	I	E	Tagore Hospital & Heart Care Centre Pvt. Ltd.	12-03-2014	15-03-2014	15966
51	Jalandhar	JL0001692	Hazura Singh	Darshan Kaur	1098141	I	E	Raja Diagnostic Centre & Hospital	03-12-2013	14-12-2013	53306	1118882	I	R	Grecian Super - Speciality Hospital	11-12-2013	20-12-2013	111286
52	Delhi	DL0073242	Kure Ram	Kure Ram	2357590	I	E	Kalyani Hospital Pvt Ltd	20-11-2014	25-11-2014	27989	2362663	I	E	Paras Healthcare Pvt Ltd	24-11-2014	30-11-2014	146918
53	Delhi	DL0033647	Ramphal	Ramphal	2705255	I	R	Artemis Medicare Services Limited	21-02-2015	24-02-2015	35320	2713696	I	R	Park Hospital (A Unit of Park Medicentres& Institutions Pvt Ltd)	23-02-2015	26-02-2015	56370
54	Delhi	DL0035669	Rajender Singh Jhajhra	Bindo Devi	2171924	I	R	Centre For Sight-New Delhi	01-10-2014	04-10-2014	16650	2175404	I	E	Kalra Hospital SRCNC Pvt Ltd	02-10-2014	06-10-2014	64625
55	Delhi	HY0027932	Sube Singh	Sube Singh	2471960	I	R	Jain Hospital (A Unit of Jain Neuro& IVF Hospitals Pvt Ltd)	23-12-2014	27-12-2014	34533	2483715	I	E	VINAYAK HOSPITAL	26-12-2014	06-01-2015	23719
56	Chandi-mandir	JM0022291	Kartar Singh	Kartar Singh	1900847	I	E	Indus Super Speciality Hospital	09-08-2014	12-08-2014	6675	1898462	I	E	Fortis Hospital - Mohali	11-08-2014	11-08-2014	5717
57	Chandi-mandir	LK0043685	Harjodh Singh	Harjodh Singh	2003811	I	R	IVY Health & Life Sciences Pvt Ltd - Khanna	19-08-2014	21-08-2014	8387	2019120	I	E	IVY Health & Life Sciences Pvt Ltd - Mohali	20-08-2014	23-08-2014	9003

Sl No	Region	Card Id	Name Of ESM	Patient Name	[Details of Claim in which patient was admitted as IPD (col. - A)]							[Details of Claims of same patients for same period under which patient was already admitted as IPD claims (as given in col.A)]						
					Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amt Paid	Claim ID	Patient Type	Ref Type	Hospital Name	Admission Date	Discharge Date	Amount Paid
58	Kochi	KC0071060	E P Gangadharan	Premaleela	2556168	I	R	PVS Hospital (Pvt) Ltd	19-01-2015	30-01-2015	19347	2556193	I	R	Comtrust Charitable Trust Eye Hospital	24-01-2015	24-01-2015	11432
59	Kochi	KC0005330	Gk Balan	Gk Padmini	1626746	I	E	Indira Gandhi Co-Op Hospital	23-05-2014	25-05-2014	3763	1629841	I	E	Malabar Institute of Medical Sciences Ltd.	24-05-2014	03-06-2014	57224
60	Kochi	KC0049121	Sugunandan M	Sugunandan M	2220054	I	E	Huda Trust Hospital	13-10-2014	18-10-2014	5477	2220891	I	R	Amrita Institute of Medical Sciences And Research Centre	16-10-2014	30-10-2014	75435
61	Jalandhar	CD0119414	Prakash Singh	Simar Kaur	2217965	I	R	Joshi Hospital & Trauma Centre	15-10-2014	18-12-2014	2736	2403838	I	R	Mann MedicitiWellnes Center	05-12-2014	12-12-2014	23053
62	Jalandhar	CD0029383	Som Dutt	Som Dutt	2120865	I	E	Joshi Hospital & Trauma Centre	18-09-2014	20-09-2014	4633	2130462	I	E	Oxford Hospital (P) Ltd	19-09-2014	01-10-2014	59406
63	Jalandhar	CD0127800	Gulzar Singh	Gulzar Singh	1646468	I	R	Hartej Maternity & Nursing Home	30-05-2014	05-07-2014	16473	1715115	I	R	ESCORTS HEART & SUPER SPECIALITY INSTITUTE LTD	18-06-2014	25-06-2014	11106
64	Jalandhar	cd0150052	Kashmir Singh	Kashmir Singh	1743846	I	E	EMC Super Speciality Hospital Pvt. Ltd.	25-06-2014	27-07-2014	106293	1817707	I	R	ESCORTS HEART & SUPER SPECIALITY INSTITUTE LTD	17-07-2014	11-08-2014	297658
										Total	**35,74,855**						**Total**	**42,67,533**

Source: *Data on medical reimbursement claims provided by MD, ECHS*

ANNEXURE-XI

(Referred to in paragraph 2.5.5-first bullet)

Analysis of deductions effected by CFA in claims of empanelled hospitals

Region	Total Claims			Claims where deductions were made			Percentage of claims involving deductions	Percentage of deduction in Amount	Nos. of Percentage of claims where deduction made	
	Nos. of Claims	Claimed Amount	Approved Amount	Nos. of Claims	Claimed Amount	Approved Amount			upto 25	Beyond 25
Chandimandir	239103	3551240279	3260919854	104937	2412835094	2122514669	44	12	79	21
Delhi	748702	7965945737	7136350121	240756	6104237745	5274642129	32	14	71	29
Delhi 2	111405	715930826	644067189	24051	519459952	447596315	22	14	74	26
Jaipur	65749	659625605	618808016	20793	392800253	351982664	32	10	78	22
Jalandhar	125001	2094644099	1944094527	48846	1377626640	1227077068	39	11	85	15
Kochi	163108	941925827	883103138	45134	592949173	534126484	28	10	84	16
Kolkata	20369	402488316	371349878	8109	276541284	245402846	40	11	82	18
Lucknow	16637	345690542	289702094	7869	313149282	257160834	47	18	77	23
Pune	43549	447385604	362291793	19624	398510566	313416755	45	21	62	38
Secunderabad	82919	1392005699	1239099104	35966	1099268000	946361405	43	14	75	25
Trivandrum	263903	1355483699	1221492731	98808	966868476	832877508	37	14	77	23
Total	1880445	19872366233	17971278445	654893	14454246465	12553158677	37	14	77	33

Source: *Data on medical reimbursement claims provided by MD, ECHS*

ANNEXURE-XII

(Referred to in paragraph 2.6.1)

The financial powers delegated to various authorities for payment and reimbursement of Manual Medical Bills are as under:

Sl. No.	Competent Authority	Financial Limit	Consultation with IFA/MoD Finance
(a)	Station Commander		
	(i) Lt. Col/Col.	Upto ₹ 1,00,000	No
	(ii) Brig.	Upto ₹ 2,00,000	No
(b)	Sub Area Commander/Chief of Staff Area HQ (Maj Gen)	Upto ₹ 3,00,000	No
(c)	Dy MD, ECHS	Upto ₹ 5,00,000	Yes
(d)	MD, ECHS	Upto ₹ 10,00,000	Yes
(e)	Jt Secretary (ESW)	Upto ₹ 25,00,000	Yes
(f)	Secretary, ESW	Above ₹ 25,00,000	Yes

***Note**: The powers delegated within the Ministry above ₹ 10 lakhs will be exercised in consultation with MoD (Finance) and similarly in ECHS also cases above ₹ 3 lakhs will be examined in consultation with their internal finance.*

*(**Authority**: GOI, Deptt of ESW, MoD, New Delhi letter No.25(01)/2014/US(WE)/D(Res) Part I dated 4th August 2014)*

ANNEXURE-XIII

(Referred to in paragraph 2.6.1.1)

Statement showing clearance of pending hospitals manual medical bills prior to 1 April 2012 as extracted from computerized data of SHQ (ECHS Cell), Delhi Cantt (as on 13th July 2015)

(Amount in ₹)

Sl No	Description			No. of Bills	Amount
A	**Total hospital pending bills with SHQ (ECHS Cell) Delhi Cantt as on 1st April 2012**	Nos of Bills	Amount		
	(i) Total Pending bills with SHQ (ECHS Cell) Delhi Cantt as on 1st April 2012	5803	164415600	5783	163804536
	(ii) Less:- Equipment bills pending with SHQ (ECHS Cell) for payment as on 1st April 2012	20	611064)		
B	**Total bills received at the SHQ (ECHS Cell) from 1st April 2012 onwards** **(i)** Hospitals Bills processed and dispatched by the SEMO AFC, New Delhi (ii) Hospitals Bills processed and dispatched by the SEMO, Base Hospital Delhi Cantt (iii)Bills sent directly by polyclinics up to ₹5000 (period 1st April-2012 to 13th July 2015)	9410 13292 20960	699030188 666224696 41402023	**43662**	**1406656907**
C	Hospital bills pending with SHQ (ECHS Cell) for payment as on 13.7.15			6712	233168530
D	**Hospital bills available for payment from 1.4.2012 to 13.7.2015 (A+B-C)**			**42733**	**1337292913**
E	**Net bills of Hospitals paid as intimated by SHQ (ECHS Cell) Delhi Cantt. (1.4.2012 to 13.7.2015)**	50438	1696872250	**47719**	**1573387139**
	(i)Total bills (including equipment bills) paid as intimated by Station Hqr , ECHS Cell Delhi Cantt (1.4.2012 to 13.7.2015) **(ii)Less** :- Equipment bills paid as intimated by SHQ (ECHS Cell) Delhi Cantt (1.4.2012 to 13.7.2015)	2719	123485111		
F	**Payment of excess/unaccounted bills by the SHQ (ECHS Cell), Delhi Cantt (E-D)**			**4986**	**23,60,94,226**

ANNEXURE-XIV

(Referred to in paragraph 2.6.1.2-first bullet)

Overpayment of ₹1.92 crore on account of inflated bills

Name of Command and the Station	Overpayment detected (₹)	Reason for overpayment
Southern Command, Pune		
Ahmedabad	2248902	Over and above package rate, admitting of investigation charges beyond package rates, delay in revision of rates *etc.*
Pune	6984196	
Kolhapur	210579	
Jodhpur	1722826	
Ahmednagar	681044	
Deolali	48425	
Total	**11895972**	
Central Command, Lucknow		
Lucknow	303898	
Varanasi	558613	
Bareilly & Ranikhet	354433	
Dehradun	920045	
Jabalpur, Indore, Nagpur, Bhopal & Gwalior	1604544	
Kanpur	356643	
Total	**4098176**	
Western Command and SWC		
Chandimandir	655518	
Ludhiana	294752	
Delhi	217202	
Jaipur	1497974	
Total	**2665446**	
Northern Command Jammu		
Jammu	**492953**	
Grand Total	**1,91,52,547**	

ANNEXURE-XV

(Referred to in paragraph 2.6.1.2-second bullet)

Excess payment of ₹ 11.96 lakh to hospitals due to non reduction of package rates by 10 % for General ward

Sl. No.	Name of hospital	Overpayment detected (₹)
Western Command, Chandigarh		
1	RK Metro Head Institute, Delhi	63,240
2	IVY Hospital, Mohali	1,08,285
3	Max Super Speciality Hospital, Delhi	35,947
4	Kukreja Hospital Heart Care Centre	82,602
5	Kailash Hospital, New Delhi	44,305
6	Fortis Hospital, Mohali	1,07,380
7	Alchemist Hospital, Panchkula	16,560
8	Yasoda Hospital, Gaziabad	6,172
9	Park Hospital, Gurgaon	56,226
10	Sarvodaya Multispeciality Hospital, Hisar	55,773
11	CMC, Hisar	54,118
12	JJ Institute of Medical Science, Bahadurgarh	6,898
13	Jindal Institute of Medical Science, Hisar	27,003
14	Grecian Hospital, Mohali	57,632
15	JJIMS, Bahadurgarh	1,62,332
16	J B Hospital, Bhiwani	66,491
17	Delhi Hosp & Maternity Home, Jind	21,965
18	Baba Yogi Neta Nath Hospital, Lohani	46,077
19	Chugh Hospital, Bhiwani	24,902
	Total	**10,43,908**
Central Command, Lucknow		
20	HIHT Dehradun	22790
21	Shri Ganga Charan Hospital, Bareilly	48107
22	Life Line Hospital Dehradun	12765
23	MK Hospital, Dehradun	14365
24	MK Surgical, Dehradun	1435
25	Max Hospital, Dehradun	2981
26	Bharat Heart Hospital, Dehradun	37624
27	CMI, Dehradun	2000
28	Sidhi Vinayak Hospital, Bareilly	9447
29	Forties Vivekanad Hospital, Muradabad	907
	Total	**1,52,421**
	Grand Total	**11,96,329**

ANNEXURE-XVI

(Referred to in paragraph 2.6.1.2-third bullet)

Overpayment on account of Room Rent (Accommodation charges)

Sl No.	Name of Station	Name of Hospital	Amount charged from ECHS patient for Room Rent (accommodation charges) based on CGHS rate for General Ward, Semi Private Ward & Private Ward, respectively (₹)	Amount charged from Non-ECHS patient for accommodation charges for General Ward, Semi Private Ward & Private Ward respectively (₹)	No. of Bills	Amount Overpaid (₹)
1	Lucknow	Ajanta Hospital, Lucknow	1000/2000/3000	350/800/1800	104	6,01,850
2	Varanasi	Subham Hospital, Varanasi	1000/2000/3000	750/1050/--	12	12,000
3	Dehradun	CMI Dehradun	1000/2000/3000	850/1200/1650	84	4,13,050
		HIHT Dehradun	1000/2000/3000	100/1000/2000	06	
4	Jabalpur	Marble City Hospital Jabalpur	1000/2000/3000	500/1000/1500	363	8,91,000
		City Hospital Jabalpur	1000/2000/3000	800/1200/1750	189	3,14,950
		Jamdar Hospital Jabalpur	1000/2000/3000	350/900/1500	10	50,700
					87	3,47,700
		Jabalpur Hospital Jabalpur	1000/2000/3000	625/1200/1600	15	46,625
				Total	**870**	**26,77,875**

Source: *Compiled from the bills of the above hospitals for ECHS and non-ECHS patients.*

ANNEXURE-XVII

(Referred to in paragraph 2.6.1.2-foruth bullet)

Overpayment of ₹ 20.55 lakh on account of non-obtaining of rebate of 10 *per cent* on medicines used in Oncology treatment

Sl. No.	Name of Hospital	Cost of Medicines (₹)	Amount overpaid @ 10% (₹)
Central Command,			
	Jawaharlal Nehru Cancer Centre Hospital, Bhopal	13853006	1385300
	City Hospital, Jabalpur	130965	13096
	Total	**13983971**	**1398397**
Southern Command,			
	Deenanath Mangeshkar Hospital, Pune	4690100	469010
	Jahangir Hospital, Pune	517440	51744
	Goyal Hospital, Jodhpur	572410	57241
	Sancheti Hospital, Jodhpur	790324	79032
	Total	**6570274**	**657027**
	Grand Total	**20554245**	**2055424**

ANNEXURE-XVIII

(Referred to in paragraph 2.6.2)

Financial powers delegated to various authorities for sanctioning payment and reimbursement of online Medical Bills are as under:

Sl. No.	Competent Authority	Existing* financial powers for sanctioning of online bills (₹)	Revised* financial powers for sanctioning of online bills (₹)
(a)	Director, Regional Centre, ECHS	₹ 1,00,000	Upto ₹ 3,00,000
(b)	Deputy MD, ECHS	₹ 3,00,000	Upto ₹ 5,00,000 **
(c)	MD, ECHS	₹ 5,00,000	Upto ₹ 10,00,000
(d)	Joint Secretary, ESW	Above ₹ 5,00,000	Upto ₹ 25,00,000
(e)	Secretary, ESW		Above ₹ 25,00,000

* ***Authority****: GOI, MoD, New Delhi letter No.22A(10)/10/US(WE)/D Vol II dated 24 December 2013.*

*****Authority****: GOI, MoD, New Delhi letter No.22A(10)/2010/US(WE)/D(Res)-Vol-V dated 10 July 2014.*

ANNEXURE-XIX

(Referred to in paragraph 2.6.2.2)

Details showing nos. of claims processed by Regional Centres and Central Organisation

Name of RC/ Central Orgn	Nos. of claims received (total *vis-à-vis* monthly average) for medical scrutiny by CFA at RCs/Central Orgn					
	2012-13		2013-14		2014-15	
	Total claims	Monthly Average	Total claims	Monthly Average	Total claims	Monthly Average
Central Orgn	9598	800	18841	1570	3662	305
Chandimandir	**50696**	**4225**	**79229**	**6602**	**135596**	**11300**
Delhi	**215412**	**17951**	**325802**	**27150**	**247022**	**20585**
Jaipur	-	-	37644	3137	62127	5177
Jalandhar	-	-	36893	3354	126243	10520
Kochi	-	-	**65413**	**5451**	**123098**	**10258**
Kolkata	-	-	9432	786	14978	1248
Lucknow	-	-	8486	707	11128	927
Pune	7603	634	19093	1591	32134	2678
Secunderabad	16225	1352	34839	2903	39884	3324
Trivandrum	**54378**	**4532**	**111628**	**9302**	**141399**	**11783**

Source: *Data on medical reimbursement claims provided by MD, ECHS.*

ANNEXURE-XX

(Referred to in paragraph 2.6.2.4)

Details of audit scrutiny of claims rejected by BPA and approved by CFA

Sl. No.	Reasons for rejection by BPA	No. of claims	Paid Amount of claims (in ₹)
1	Without valid referral *i.e.* without signature or seal of OIC/MO Polyclinic which was mandatory as per ECHS procedures	44	342140
2	Non submission of important documents *viz.* Referral Letter, Copy of ECHS Cards, Discharge Summary *etc.* Claims finally paid by CFA by waiving/ignoring the requirement or quoting approval of Dy. MD under NMI Case (Need More Information)	68	846115
3	Claims raised for pre-operative/pre-procedures investigations which are part of package charges for such procedures, resulting into overpayment amounting to ₹20579	11	42004
4	Without pre and post images *viz.* x-ray, *etc.*	16	1836394
5	Hospital not empanelled for claimed treatment *viz.* TKR, PTCA, *etc.*	10	1520722
6	Documents mis-match in claim *i.e.* details of patient not matching with documents submitted with claim	26	157436
7	Necessary prior approval of service specialist for planned treatment or prior approval of SEMO for unlisted procedure was not obtained and enclosed	11	478792
8	Treatment not covered under ECHS *viz.* cosmetic procedure, *etc.*	3	164560
9	Emergency Admission not justified	1	2382
10	Double claims *i.e.* claim raised on same documents which was already paid	6	193943
11	Treatment provided was not as per referral letter	10	269064
	Total	**206**	**5853552**

Source of data/information: *Data on medical reimbursement claims provided by MD, ECHS.*

ANNEXURE-XXI

(Referred to in paragraph 2.6.2.9)

Statement showing delay in revision of rates by ECHS and percentage of decrease in rates

Sl. No.	CGHS letter No.	ECHS letter No.	Delay in revision of rates by ECHS (in days)	Name of item effected	Old Rates (₹)	Revised Rates (₹)	Percentage decrease
1.	F.No.Misc/1002/ 2006/CGHS (R&H)/CGHS(P) dated 07/02/2013	B/49773/AG/ECHS/Rates/ Policy dated 15/04/2013	67 days	i). Coronary Angioplasty	97,750/-	50,000/-	48.84%
				ii). Coronary Angioplasty with Balloon	97,750/-	55,000/-	43.73%
2.	F.No.Misc.1002/ 2006/ CGHS (R&H)/CGHS(P) dated 21/02/2013	B/49773/AG/ECHS/Rates/Policy dated 26/04/2013	64 days	i). Drug Eluting Stents (DES)	65,000/-	25,000/-	61.53%

ANNEXURE-XXII

(Referred to in paragraph 2.6.2.11)

Details of bills received, post audited, overpayment detected and amount recovered by PCDA

PCDA/ CDA	Period/ Year	No. of Bills recd	No. of bills post audited	No. of Bills O/s for post audit	%age of bills audited	Over-payment detected by PCDA/ CDA (₹ in crore)	Amount recovered (₹ in crore)
Chandigarh	Upto Dec 2013	2541636	50464	2491172	1.99	18.64	5.41
	1/14 to 12/14	632173	88337	543836	13.97	10.56	
	1/15 to 3/15	198776	4245	194531	2.13	1.33	
AAO Jalandhar	2012-13	-	-	-	-	-	0.36
	2013-14	89318	9968	79350	11.16	1.52	
	2014-15 (upto Dec 14)	143538	17344	126194	12.08	1.56	
PCDA, SC, Pune	The ECHS Cell (PCDA, SC) was formed in the month of June 2013. The audit of bills prior to June 2013 of civil empanelled hospitals (ECHS medical bills) was not conducted. However, the bills from the period January to March 2013 valuing ₹7.5 crore were audited and observation memo to the tune of ₹33 lakh (approx) was issued.						
PCDA, CC, Lucknow	2012-13 to 2014-15	92370	40229	52141	43.55	0.71	0.16
	No separate report for receipt of vouchers prior to 1/4/2013 was maintained by the PCDA						
CDA (Army) Meerut	2012-13 to 2014-15	161904	78503	83851	48.49	4.53	0.31
CDA Jabalpur	2013-14 to 2014-15	5791	3273	2518	56.52	1.36	-