CHAPTER VII

Monitoring and Grievance Redressal

7.1 Introduction

Monitoring and evaluation help organizations to extract relevant information from past and ongoing activities that may be used as the basis for programmatic fine-tuning, reorientation and future planning. Without effective planning, monitoring and evaluation, it is impossible to examine, if a scheme is functioning in the right direction, whether progress and success may be claimed, and how future efforts might be improved. Good planning, combined with effective monitoring and evaluation, plays a major role in enhancing the effectiveness of schemes. At the Central level, National Health Authority (NHA) is the Nodal Agency set up for scheme implementation and oversight of PMJAY. It is responsible for monitoring through the following functional domains:

- Beneficiary Management System (BMS)
- Transaction Management System (TMS)
- Provider Management System (PMS)
- Support Function Management (comprising functions such as capacity building, grievance management, fraud and abuse control, call centre, etc.)

In order to facilitate the effective implementation of the Scheme, the State Governments have set up State Health Agency (SHA) or entrusted this function to any existing agency/trust/ society designated for this purpose. All key functions relating to delivery of services under PMJAY shall be performed by the SHA including monitoring of the Scheme at State level.

Issues related to the support function management such as capacity building, grievance management and fraud and abuse control are discussed in succeeding paragraphs.

7.2 Non-Formation of District Implementing Units (DIUs)

PMJAY Capacity Building Guidelines stipulate constitution of District Implementation Units (DIUs) in each District for functional coordination of Scheme activities at the District level.

Audit noted that in five States/UTs namely **Andaman & Nicobar Islands, Dadra Nagar Haveli** and **Daman & Diu, Himachal Pradesh, Puducherry** and **Uttarakhand,** DIUs had not been formed by SHA. In **Tripura**, DIUs have only been constituted in five out of eight Districts.

District Implementing Unit is the lowest level for implementation of the Scheme. Non-formation of the DIUs poses constraints in the proper implementation of PMJAY.

NHA, while accepting the audit observation, replied (August 2022) that DIUs are expected to work under the leadership of CMO or District Collector and wherever DIUs have not been formally constituted the Scheme implementation has been taken care by the office of CMO.

7.3. Adequacy of staff and infrastructure in SHA and DIUs

7.3.1 Shortfall of human resources in SHAs and DIUs

Audit noted that in nine States *viz*. **Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Karnataka, Rajasthan, Tripura, Uttarakhand** and **Uttar Pradesh,** there was shortfall of human resources deployed in SHA ranging between 15 *per cent* and 50 *per cent*, against actual sanctioned strength, while in eight States/UTs of **Andaman & Nicobar Islands, Assam, Bihar, Dadra Nagar Haveli-Daman & Diu, Jammu & Kashmir, Madhya Pradesh, Manipur** and **Punjab,** the shortfall was between 51 to 75 *per cent*. Details are provided in **Annexure-7.1.**

In **Ladakh,** while at the SHA level**,** State Programme Officer, State Programme Manager and State Accountant were working at district level Program Coordinators, Information Systems Manager and District Grievance Manager were still not appointed.

In **Puducherry**, out of 18 posts across various categories in the SHA, only two posts of Medical Officer and Finance Manager had been filled while the remaining 16 posts were vacant.

In **Nagaland**, eight posts of various managers have not been filled in SHA while only one officer was designated as District Nodal Officer against five officers/staffs at District level.

In **Jammu and Kashmir** and **Maharashtra,** no District Program Coordinator, District Medical Officer, District Information Systems Manager and District Grievance Manager was appointed in any of DIUs while **Kerala** has appointed only District Project coordinator in all 14 Districts entrusted with the duties of the DIUs.

NHA, while accepting the audit observation, replied (August 2022) that States were constantly urged to strengthen their human and technical resources. In addition to this, NHA has empanelled four agencies which can be used by the States for hiring of Human Resources.

7.4 Grievances Redressal

To ensure that disputes and grievances of beneficiaries, healthcare providers and other stakeholders are resolved in an efficient, transparent and time bound manner, NHA has

developed Grievance Redressal Guidelines and has established a Central Grievance Redressal Management System (CGRMS). CGRMS is a system for registering, processing, managing and monitoring the redressal all grievances under PMJAY.

Grievance Redressal Guidelines stipulate a three-tier institutional structure to ensure timely redressal of grievances *i.e*. National Grievance Redressal Committee (NDRC) at the National level, State Grievance Redressal Committee (SGRC) at State level and District Grievance Redressal Committee (DGRC) in each District.

7.4.1 Formation of State Grievance Redressal Committee (SGRC) and District Grievance Redressal Committee (DGRC)

PMJAY Grievance Redressal Guidelines stipulate that SGRC is to be constituted by SHA within 15 days of signing of MoU with the NHA. The District Grievance Redressal Committee (DGRC) is to be constituted by the SHA in each district as per the following schedule:

- For insurance mode: Within 15 days of the SHA signing of MoU with the Insurance Company.
- For assurance mode: Within 15 days of the SHA signing of MoU with the NHA.

(a) Constitution and functioning of SGRC

SGRC performs all functions related to handling and resolution of all grievances received either directly or escalated through the DGRC.

Audit noted that:

- In three States/UTs; **Karnataka, Chandigarh** and **Jharkhand,** SGRCs were constituted with a delay of one year, seven months and 67 days respectively.
- In **Punjab,** representation of members from the Departments of Rural Development, Women and Child Development, Labour and Tribal Welfare as required under grievance redressal guidelines had not been made.
- In **Rajasthan**, records related to the formation and functioning of the SGRC were not produced to Audit.
- In **Puducherry**, SGRC has not been formed with requisite manpower for analyzing the grievances of stakeholders under the scheme.

(b) Constitution and functioning of DGRC

DGRC performs all functions related to handling and resolution of grievances within their respective districts. Audit noted that:

- In **Chhattisgarh**, DGRCs had not been constituted in six out of 27 Districts.
- In **Jharkhand,** DGRCs had been constituted with delay of 67 days.
- In **Ladakh,** DGRCs were not constituted.
- In **Madhya Pradesh**, DGRCs were not constituted in any of the Districts and all complaints regarding grievances of beneficiaries were scrutinized and finalised by SGRC itself.
- In **Manipur**, DGRCs had not been constituted in 11 out of 16 Districts.
- In **Punjab**, though DGRCs had been constituted, however, Chief Executive Officer or District Development Officer or Additional Deputy Commissioner/Additional District Magistrate (Development) in charge of *Zilla Panchayat* was not nominated in the DGRC as required under Grievance Redressal guidelines.
- In **Rajasthan**, records regarding constitution of DGRC was not produced to Audit.

Audit notes that the non-formation of SGRC and DGRC, at SHA and DIU level as highlighted above may result in ineffective grievance redressal.

NHA, while accepting the audit observation, replied (August 2022) that with the advancement in the implementation of Scheme, the States/UTs had started the process of constitution of District Grievance Redressal Committee (DGRC) and State Grievance Redressal Committee (SGRC).

7.4.2 Shortfall in conducting meetings by DGRC and SGRC

As per para 6 of the Grievance Redressal guidelines, the DGRC and SGRC meeting should be conducted every month on a specific day. States may decide a particular date, depending on the convenience and availability of the members of the committee.

(a) Meetings of SGRC

In five States/UTs of **Andaman and Nicobar Islands, Bihar, Chhattisgarh, Gujarat, Jammu & Kashmir,** no meeting of SGRC was held. In **Punjab,** only three meetings of SGRC were held against the required 19 meetings. In **Jharkhand**, only three meetings of SGRC were held against 27 meetings due during the period covered under audit. Failure to hold meetings and less than the prescribed number of meetings of SGRC can adversely affect monitoring of the redressal.

(b) Meetings of DGRC

Audit noted that in six States/UTs of **Andaman and Nicobar Islands, Chhattisgarh, Jammu and Kashmir, Jharkhand, Rajasthan** and **Tamil Nadu,** no meeting of DGRC was

held. In **Gujarat, Punjab** and **Uttar Pradesh**, shortfalls in meetings of DGRC were 53 to 100 *per cent*.

NHA, while accepting the audit observation, replied (August 2022) that SGRC & DGRC meetings could not be held during 2020 and 2021 due to COVID pandemic. Also, during the pandemic the members of DGRC and SGRC diverted for containing, controlling and treating COVID.

SHAs should ensure the regular meetings of DGRCs be held so that the scheme can be properly monitored and shortcomings, if any, may be rectified timely.

7.5 Grievance redressal management-fraud prevention/detection control

DGRC monitors the grievance database to ensure that all grievances are resolved within 30 days or earlier. Further, there would be State Grievance Nodal Officer (SGNO) nominated by SHA to address the grievances at State level and District Grievance Nodal Officer (DGNO) nominated by SGRC to resolve the grievances at district level under PMJAY.

7.5.1 Redressal of grievances/appeals at NHA level

i. Delayed disposal of grievances

As per para 12.3 of the Grievances Redressal guidelines "NHA shall provide overall supervision and monitoring of the implementation of the CGRMS across all States. This may include site visits, and internal and third-party process audits". Further, at least 98 *per cent* grievances are to be redressed.

Audit noted that out of 37,903 grievances, only 3,718 complaints (9.80 *per cent*) were redressed within turn-around-time (TAT) of 15 days. While, 33,100 complaints (87.33 *per cent*) were redressed beyond the TAT, 1,085 complaints were yet to be redressed. Outcome of four complaints escalated to NGRC for redressal was not made available to audit.

ii. Delayed disposal of appeals

Para 7.2.5 of Grievance Redressal Guidelines stipulate that if any party to a grievance is not satisfied with the decision of the relevant Grievance Redressal Committee, it may appeal against the decision within 30 days to the higher Grievance Redressal committee or other authority having powers of appeal as set forth in the guideline.

Audit noted that out of 1111 appeals received from 24 States, 518 appeals (46.62 *per cent)* were resolved within the turn-around-time (TAT) of 30 days and 593 appeals (53.38 *per cent)*

were resolved beyond TAT (234 appeals resolved between 31 to 60 days, 97 appeals resolved between 61 to 90 days and 262 appeals resolved in more than 90 days).

NHA, while accepting the audit observation, replied (August 2022) that in the initial days of Scheme implementation, States were primarily focused on service delivery and with the passing time, grievance redressal is being assigned its due priority. More effective monitoring mechanism would be put in place to ensure that grievances are redressed in defined TAT.

7.5.2 Grievances redressal at States/UTs

Audit noted that SHA **Chhattisgarh** had not redressed any of the 40 grievances received. In six other States/UTs of **Andhra Pradesh, Assam, Chandigarh, Nagaland, Punjab** and **Uttarakhand,** status of grievances redressed is mentioned in **Table-7.1.**

Table-7.1: Status of Grievances redressal at States/UTs

Sl. No.	Name of State/UT	No. of Grievances to be redressed	No. of Grievances redressed	No. of Grievances redressed within TAT	No. of Grievances redressed beyond TAT	No. of Grievances yet to be redressed	% of grievances redressed within the TAT
1.	Andhra Pradesh	782	431	334	97	351	42.71
2.	Assam	364#	177	140	37	187	38.46
3.	Chandigarh	106	100	20	80	6	18.87
4.	Nagaland	53	52	48	4	1	90.57
5.	Punjab	917	893	234	659	24	25.52
6.	Uttarakhand	1045	1032	482	550	13	46.12
Total		**3267**	**2685**	**1258**	**1427**	**582**	

(# 371 grievances registered - 7 withdrawn from the portal = 364 grievances)

Data related to the redressal of the grievances within the TAT and beyond TAT was not provided by nine States/UTs of **Dadra Nagar Haveli, Gujarat, Himachal Pradesh, Jharkhand, Kerala, Madhya Pradesh, Meghalaya, Tamil Nadu** and **Tripura**.

NHA, while accepting the audit observation, replied (August 2022) that the grievance redressal has been streamlined and State-specific guidelines has been issued to avoid the same.

7.6 Nodal Officer for resolving of grievances at district level not appointed

Para 5.4 of Grievances Redressal Guideline provide that District Grievance Nodal Officer (DGNO) is a person who is nominated by SGRC to resolve the grievances at District level. While, the State Grievance Nodal Officer (SGNO) is nominated by SHA, to address the grievances at the State level under PMJAY.

Audit noted that in **Andaman and Nicobar Islands,** Nodal Officer has not been nominated.

NHA, while accepting the audit observation, replied (August 2022) that with the advancement in the implementation of scheme the States/UTs started the process of establishing the institutional framework for grievance redressal in the form of appointing DGNOs and SGNOs.

7.7 Formation of Anti–Fraud Cells and Other Committees at the State level

PMJAY is governed by a zero-tolerance approach to any kind of fraud under the watchful supervision of NHA**.** PMJAY is aimed at assisting State Governments in designing and managing a robust anti-fraud system in PMJAY. The scope of anti-fraud guidelines covers prevention, detection, and deterrence of different kinds of fraud that could occur in PMJAY at different stages of its implementation:

Fraud management approaches	Stages of implementation
Prevention	Beneficiary identification and verification Provider empanelment Pre-authorization
Detection	Claims management Monitoring Audits
Deterrence	Contract management Enforcement of contractual provisions

The National Anti-Fraud Unit (NAFU) has been set up for implementing the anti-fraud and abuse control framework and monitoring performance with the support of State Anti-Fraud Units (SAFU) created at the State level.

Anti-Fraud Guidelines set out the mechanisms for fraud management and lay down the legal framework, institutional arrangements, and capacity that will be necessary for implementing effective anti-fraud efforts.

As per the Anti-Fraud Guidelines, SHA shall be responsible for developing institutional structure and operationalising Dedicated Anti-Fraud Cells, Claim Review Committee (CRC) and Mortality & Morbidity Review Committee (MMRC).

Audit noted that Anti-Fraud Cell in four States/UTs, CRC in eight States/UTs and MMRC in 11 States/UT were not formed as detailed in **Table-7.2**.

Table-7.2: Formation of Anti-Fraud Cells and Other committees at State level

Sl. No.	State /UT	Implementing Units not formed
1.	Andaman & Nicobar Island	Anti-fraud Cell, CRC & MMRC
2.	Dadra & Nagar Haveli and Daman & Diu	CRC
3.	Himachal Pradesh	CRC & MMRC

Sl. No.	State /UT	Implementing Units not formed
4.	Jammu and Kashmir	Anti-fraud Cell & MMRC
5.	Ladakh	Anti-fraud Cell, CRC & MMRC
6.	Maharashtra	MMRC
7.	Manipur	CRC & MMRC
8.	Meghalaya	CRC & MMRC
9.	Nagaland	MMRC
10.	Punjab	CRC & MMRC
11.	Puducherry	Anti-Fraud Cell
12.	Rajasthan	MMRC
13.	Tripura	CRC & MMRC

NHA, while accepting the audit observation, replied (August 2022) that NHA-NAFU has been issuing directives and reminders to all the States through anti-fraud guidelines and also various advisories regarding implementation of all anti-fraud guidelines.

Due to non-constitution of required Committees, the fraud cases communicated to NHA, death audit, claim audit and other activities may be hampered.

7.8 Non-conducting of Anti-Fraud awareness activities

As per para 3.2.5 of Anti-Fraud guidelines, it is the responsibility of SHA to design and implement strategies for beneficiary awareness on possible episodes of fraud under the PMJAY. The awareness may include understanding types of fraud, its impact on beneficiaries, preventive measures that the beneficiaries could take and whom to report to. It may be done by using mass media and interpersonal communication at the point of service.

Audit noted that three States/UT, **Bihar**, **Chandigarh** and **Uttar Pradesh** did not plan/conduct anti-fraud awareness activities. The documentary evidence regarding organising of camps for fraud awareness were not made available to Audit in any of the selected districts of **Himachal Pradesh**. Thus, the aim of apprising the beneficiaries of the possible irregularities in implementation of the programme remained unachieved.

NHA, while accepting the audit observation, replied (August 2022) that innovative measures have been taken for improving beneficiary awareness regarding fraud/abuse.

7.9 Fraud Cases

7.9.1 No action taken on defaulters

Audit noted that 12 hospitals in **Jharkhand** and one hospital in **Assam** indulged in various malpractices, *i.e.* illegal collection of money from beneficiaries, repeated submission of same photograph for multiple claims, non-disclosure of facts, etc. However, follow-up action like

recovery of amount of money collected and imposition of penalty, action against errant medical and paramedical professionals, de-empanelment of hospitals etc. had not been initiated.

NHA replied (August 2022) that SHA Jharkhand had taken appropriate action against the defaulters but did not furnish any documentary evidence in support of action taken. The reply in respect of SHA Assam was awaited.

7.10 Non-adoption of Whistle Blower Policy

National Health Authority issued the PMJAY Whistle Blower Policy as a step towards strengthening transparency and accountability in the implementation of PMJAY. The primary objective of the policy was to establish a mechanism to receive complaints relating to disclosure on any allegation of corruption, medical and non-medical fraud, etc. against any stakeholder involved with the implementation of PMJAY and to inquire or cause an inquiry into such disclosure and to provide adequate safeguards against victimisation of the person making such complaint and for matters connected therewith and incidental thereto.

Audit noted that seven States/UTs, **Andaman & Nicobar Islands, Bihar**, **Chhattisgarh**, **Madhya Pradesh**, **Punjab**, **Rajasthan** and **Tamil Nadu** had not adopted the Whistle Blower Policy.

Due to the non-adoption of the policy, the stakeholders involved in the Scheme were deprived of the mechanism for complaining regarding cases of corruption, medical and non-medical frauds etc.

NHA, while accepting the audit observation, replied (August 2022) that States would be pursued to constitute these Committees at the earliest and necessary directions would be issued for the implementation of whistle blower policy within defined timeline.

7.11 Shortfall in conduct of medical and other/social audit by ISA and SHA

Para 5.2.8 of anti-fraud guideline stipulates minimum sample for audit to minimize fraud prospects. Details of various types of audit to be conducted by the Implementing State Agency (ISA) and SHA and minimum sample for audit by ISA and SHA for each type of audit is given in **Annexure-7.2**.

Audit noted that NHA had not properly monitored the various types of audit conducted by the ISA/SHA in States. NHA only had information regarding Medical audit conducted by SHA, while the information/data in respect to the other types of audit was not available with NHA except for the States of **Nagaland** and **Tripura**.

Deficiency in medical audits conducted by SHAs defeated the very purpose of implementing anti-fraud investigation and audit system to detect, prevent and deter fraud losses under PMJAY.

Audit further noted that in two States, *viz.* **Nagaland** and **Tripura**, there was heavy shortfall in conducting various types of audits.

Shortcomings noted in 21 States/UTs[42], are detailed in **Table-7.3**.

Table-7.3: Shortcomings in States/UTs

Sl. No.	State/UT	Audit Observation
1.	Andhra Pradesh	No medical and death audits were conducted by SHA in 48 sampled hospitals.
2.	Bihar	Documents regarding Medical Audit in respect of Mortality cases were not provided by Bihar Swasthya Suraksha Samiti. Moreover, separate committee for high-value pre-authorization requests had also not been constituted to monitor the pre-authorization activities and claim payment.
3.	Chandigarh	Neither any annual audit plan was prepared nor any document in support of the cases audited were found on record.
4.	Chhattisgarh	ISA appointed for the hospital audit, conducted only 176 hospital audits against target of 1,692 hospitals during January 2020 to July 2021.
5.	Dadra & Nagar Haveli and Daman & Diu	Audit reports related to medical, hospital, claim summary reports were not being submitted by the insurance company, which showed lack of internal control/monitoring over Insurance Company Claims by UTHA.
6.	Haryana	767 cases of mortality had been audited against the total mortality cases of 1,022 (75.05 *per cent* against the prescribed 100 *per cent*).
7.	Himachal Pradesh	Shortfall ranging from 21 to 86 *per cent* in conducting medical audit by ISA in 23 selected EHCPs had been noted.
8.	Jammu & Kashmir	i) Though SHA provided the number of audits conducted, no details on date of audit, name of the auditor was provided. No audit in respect of certain audits *viz.* Beneficiary audit (post discharge–through home visit), Pre-authorization audit, claims audit (approved claims) and Beneficiary audit (during hospitalization) was conducted by SHA from December 2018 to December 2020 and Beneficiary audit (post discharge–through telephone), from December 2018 to February 2020. ii) In 112 cases the dates of hospital audit were shown before admission of patients and in 3,404 cases the date of hospital audit was shown after discharge of patient, which clearly indicates that fake audit reports were submitted by insurer and accepted by SHA J&K.
9.	Jharkhand	Out of deaths of 4,352 patients, only 563 death audits (13 *per cent* against the prescribed 100 *per cent*), had been conducted by the agency engaged by SHA.

[42] Andhra Pradesh, Bihar, Chandigarh, Chhattisgarh, Dadra & Nagar Haveli and Daman & Diu, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Ladakh, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Puducherry, Punjab, Rajasthan, Tripura and Uttarakhand.

Sl. No.	State/UT	Audit Observation
10.	Karnataka	There was a shortfall of 19 *per cent* in conduct of medical audits (60,773 medical audits against the target of 75,083). Further, SHA had not conducted any beneficiary audit (during hospitalization and post discharge through home visits) and claim audit of the rejected claims.
11.	Kerala	SHA had not conducted any Medical audit, Death Audit, beneficiary audit (post discharge through home visit), pre-authorization audit, and claim audits (rejected as well as approved claims). Moreover, the Third Party Administrator (TPA) had also not conducted any beneficiary audit (post discharge through telephone and home visits) and pre-authorization of claims audit.
12.	Ladakh	Neither the Insurer submitted any report of audit (Medical and other Audits) to SHA Ladakh nor did SHA Ladakh frame any targets for conducting of sampled audits.
13.	Madhya Pradesh	Shortfalls of 91, 71 and 76 *per cent* was observed in conducting of Hospital Audit by ISA during 2018-19, 2019-20 and 2020-21 respectively.
14.	Maharashtra	Out of 3,381 medical audits, only 1,262 medical audits conducted. No other kinds of audits conducted by SHA.
15.	Manipur	SHA did not conduct any type of audit and ISA also did not conduct Death Audit and Beneficiary Audit (post discharge through home visits)
16.	Meghalaya	Due to the non-formation of Claims Review Committee (CRC) and Mortality and Morbidity Review Committee (MMRC), claim audits (approved and rejected) and death audits were not conducted. In respect of the medical audit, there was a shortfall of 91 *per cent*, as only 146 medical audits against target of 1644 medical audits were conducted by SHA.
17.	Puducherry	No audit of any kind conducted in the UT.
18.	Punjab	No audit conducted by SHA
19.	Rajasthan	Due to non-formation of CRC, any claim audit was not conducted by SHA. No separate MMRC formed, but it is a part of State Anti-Fraud Unit (SAFU). Further, the records related the medical audits done by TPA and SHA not provided to Audit.
20.	Tripura	Shortfall of 63.44 *per cent* in death audits, 66.23 *per cent* in medical audit and 83.68 *per cent* in claim audits was noticed. No other audit conducted by the SHA.
21.	Uttarakhand	Out of 5,884 death cases in three years, death audit of 750 cases had only been conducted *i.e.* (12.75 *per cent* against target of 100 *per cent*)

Thus, shortfall in conduct of audits resulted in a lax control environment with possibility of unauthorized/excess payments of claims, fraud and shortcomings in facilities to be provided to the beneficiaries.

NHA, while accepting the audit observation, replied (August 2022) that SHAs were busy with COVID management activities and not in a position to achieve the targets specified for auditing. Now the auditing system had been streamlined and it was expected to achieve the auditing goals set by NHA.

7.12 Recovery to be made from defaulting hospitals

As per anti-fraud guidelines, SHA is responsible for developing institutional structures and operationalizing guidelines. Dedicated Anti-Fraud Cell in the State is responsible to carry out surprise inspection, impose penalty, de-empanelment, prosecution, and other deterrence measures, etc. against fraudsters/defaulters.

Audit noted that in NHA, out of ₹ 17.28 crore on account of penalty imposed on 184 defaulting hospitals pertaining to 13 States, **Andhra Pradesh**, **Chhattisgarh**, **Gujarat**, **Haryana**, **Jammu & Kashmir**, **Jharkhand**, **Karnataka**, **Madhya Pradesh**, **Maharashtra**, **Nagaland**, **Punjab**, **Uttar Pradesh** and **Uttarakhand**, recovery of only ₹ 4.96 crore had been effected. The remaining amount of ₹ 12.32 crore from 100 hospitals was to be recovered in nine States, **Andhra Pradesh**, **Chhattisgarh**, **Gujarat**, **Haryana**, **Jharkhand**, **Karnataka**, **Madhya Pradesh**, **Nagaland** and **Punjab** pertaining to the period from February 2019 to May 2021.

Audit further noted that ₹ 4.66 crore of penalties imposed against the grievances raised by beneficiaries against 164 defaulting hospitals from three States, **Andhra Pradesh**-160, **Chhattisgarh-2** and **Uttar Pradesh-2** pertaining to the period from February 2019 was still to be recovered. In the State of **Tamil Nadu**, penalty of ₹ 55.80 lakh was not recovered from 16 private hospitals.

NHA did not have any information of the amount to be recovered in respect of 15 States/UTs *viz.* **Arunachal Pradesh**, **Assam**, **Haryana**, **Himachal Pradesh**, **Manipur**, **Meghalaya**, **Mizoram**, **Nagaland**, **Puducherry**, **Punjab**, **Rajasthan**, **Sikkim**, **Tamil Nadu**, **Telangana** and **Tripura**.

State performance index of recoveries to be made

(Amount in ₹)

Sl. No.	State/UT	Recovery imposed	Recovery effected	Recovery yet to be done	% of recovery yet to be done
1.	Andhra Pradesh	13203919	9354897	3849022	29.15
2.	Chhattisgarh	9774942	0	9774942	100
3.	Gujarat	7284611	833960	6450651	88.55
4.	Haryana	3666500	1981250	1685250	45.96
5.	Jammu & Kashmir	1931250	1931250	0	0
6.	Jharkhand	104081157	8764891	95316266	91.58
7.	Karnataka	313984	283282	30702	9.78
8.	Madhya Pradesh	3357893	131580	3226313	96.08
9.	Maharashtra	1556290	1556290	0	0
10.	Nagaland	13464	0	13464	100
11.	Punjab	3994058	1120805	2873253	71.94
12.	Uttar Pradesh	75000	75000	0	0
13.	Uttarakhand	23588500	23588500	0	0
Total		**172841568**	**49621705**	**123219863**	

As per the above table it is seen that in **Jammu & Kashmir**, **Maharashtra**, **Uttar Pradesh** and **Uttarakhand,** pendency of recovery is nil. However, in **Chhattisgarh**, **Gujarat**, **Jharkhand**, **Madhya Pradesh**, **Nagaland** and **Punjab** pendency of recovery is very high.

Audit further noted that SHA, **Jammu & Kashmir** and **Ladakh** failed to levy penalties amounting to ₹ 20.93 crore and ₹ 39.66 lakh respectively on the Insurer for non-performance of various activities mentioned as Key Performance Indicators in Contract Agreements. Since no penalties were levied by the SHAs, no such recoveries were made from the defaulting hospitals, thereby not deterring the hospitals from deviating from the performance indicators specified under the scheme. Further, due to delay in payment of premium to the Insurance company up to 161 days under Contract Agreement (PS–4), SHA, **Jammu & Kashmir** failed to recover penalty of ₹ 2.91 crore on account of delayed claim payments from the Insurance Company.

NHA, while accepting the audit observation, replied (August 2022) that NHA is working on a guideline wherein central share would be released to the State only for clean cases *i.e.* cases where no action is pending.

7.13 Non rotation of Pradhan Mantri Arogya Mitra (PMAM)

Pradhan Mantri Arogya Mitra (PMAM) is a certified frontline health service professional present at each EHCP who serves as a first contact point for beneficiaries in order to streamline the health service delivery and provide a seamless experience.

As per anti-fraud guidelines, to avoid collusion among PMAM, hospitals and patients, if possible, SHA should rotate PMAM/insurance coordinator every three to six months preferably within the same city/town.

Audit noted that in two States, **Himachal Pradesh** and **Tamil Nadu,** PMAM in test checked hospitals were not rotated frequently.

NHA replied (August 2022) that as per anti-fraud guideline, it was suggested by NHA to rotate the PMAM periodically to avoid collusion, however, it was not made mandatory.

Reply is to be viewed from the fact that Para 4.2.2 of anti-fraud guidelines nowhere stipulates that it is not mandatory in nature.