Chapter 1
Performance Audit on *Swasthya Sathi* Scheme

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HEALTH & FAMILY WELFARE DEPARTMENT

Performance Audit on Swasthya Sathi Scheme

Snapshot

The Government of West Bengal (GoWB) rolled out (February 2017) a comprehensive group health insurance scheme called the *"Swasthya Sathi"* for providing protection to beneficiaries from financially debilitating effects of illnesses. The scheme was implemented by the Health and Family Welfare (H&FW) Department, GoWB. To implement the Scheme, the *Swasthya Sathi Samiti* (SS *Samiti*), a registered Society, was set up by the GoWB to act as the State Nodal Agency (SNA).

The coverage of beneficiaries under the Scheme was gradually increased in stages, initially covering only volunteers and other contractual workers and then expanding to universal coverage for all permanent residents of the State (except those already covered by any other Government health insurance/ assurance scheme). The mode of coverage also underwent changes, where it was initially implemented through a hybrid mode (both insurance and assurance) but was subsequently amended to assurance mode only.

Under the hybrid mode, Insurance Companies (ICs) were responsible for claim management of up to ₹ 1.50 lakh per family, per annum under the insurance mode, while the SNA was responsible for processing, as well as settling all claims beyond ₹ 1.50 lakh and up to ₹ 5.00 lakh under the assurance mode. Under the current approach, Third Party Administrators (TPAs)/ Implementation Support Agencies (ISAs) have been engaged for processing and settlement of claims.

This Performance Audit (PA) of the *Swasthya Sathi* Scheme (SS Scheme) was taken up to cover the period from 2018-19 to 2022-23 wherein an amount of ₹ 6,882.06 crore was expended under the Scheme.

Key Audit Findings

Neither any comprehensive guidelines nor any Annual Action Plans for achieving the programme objectives were prepared by the SNA, as of July 2024.

(Paragraph 1.8.1.1)

The number of families enrolled under the Scheme (as of March 2023) was around ten *per cent* higher than the number of families holding Ration Cards in the State, as per the Public Distribution System (PDS) records (of August 2023). Consequently, the risk of benefits of the Scheme getting passed on to ineligible beneficiaries, in deviation of norms, could not be ruled out.

{Paragraph 1.8.1.2 (i)}

There were 27 Government Super Speciality Hospitals (SSHs) empanelled under the SS Scheme in the State, however none of them had been empanelled as Grade-A under the Scheme. Owing to lower grading (and consequently lower package rates), ICs paid lesser amount for treatments/ medical procedures in these super speciality hospitals, as part of the claim settlement, thus impacting the revenue flow of these hospitals.

Paragraph 1.8.1.3 (i)

Test check of records of 50 private empanelled hospitals showed that 31 hospitals were improperly allowed higher grading *vis-à-vis* available infrastructure, services being offered, sanctioned bed strength of hospitals *etc.* Due to improper gradation, these Health Care Providers (HCPs) though entitled to lower package rates as per applicable norms of the SS Scheme were being paid at higher rates. Consequently such anomalies resulted in excess payment of ₹ 14.48 crore to these HCPs.

Paragraph 1.8.1.3 (ii)

As against 3,038 HCPs to be empanelled to service 2.43 crore beneficiary families, only 2,605 HCPs were empanelled for the State as a whole, limiting the choice of hospitals and impacting service delivery for enrolled beneficiaries.

{Paragraph 1.8.1.4 (i)}

Despite the existence of penal provisions in the Agreements, the SNA did not recover penalty of ₹ 31.33 crore from three ICs for delayed settlement of claims.

{Paragraph 1.8.1.5 (iii)}

There was excess expenditure of ₹ 46.97 crore on enrolment and distribution of smart cards to 1.65 crore families by TPAs/ ISAs.

(Paragraph 1.8.1.6)

Budgetary support for implementing the Scheme was not adequate, due to which the SNA had to pay ₹ 10.85 crore as interest on loans (₹ 721.95 crore) availed to implement the Scheme during 2020-22. Non-implementation of Ayushman Bharat – *Swasthya Sathi* (AB-SS) deprived the State's population especially migrant ones (who move to other States in India) of the benefit of accessing cashless health care services in a network of hospitals across the country. Thereby, GoWB could not avail the central funding to supplement the State's expenditure on the *Swasthya Sathi* Scheme and residents of the State were denied benefits under AB-SS.

(Paragraphs 1.9.2 and 1.9.3)

Audit noted that six test-checked districts furnished Utilisation Certificates (UCs) amounting to ₹ 15.43 crore to the SNA without obtaining UCs from sub-allottees, who were responsible for actual expenditure. This practice entailed the risk of mis-utilisation of allotted funds.

(Paragraph 1.10.2.1)

Post Discharge Medical Audit (PDMA) was not conducted till January 2023. During PDMAs conducted between February to March 2023, penalties amounting to ₹ 11.78 crore were imposed by the SNA on the HCPs, out of which ₹ 8.36 crore only was realised.

(Paragraph 1.11.2)

SNA could not finalize the creation and recruitments of 245 contractual posts which were required to ensure hassle free enrolment of beneficiaries, empanelment as well as monitoring of hospitals, conduct Medical Audit *etc.* These posts *inter alia* included Medical Officers, Accountants, Data Entry Operators *etc.* This resulted in lack of proper monitoring, delay in making payment to HCPs and inadequate Medical Audits.

(Paragraph 1.11.4)

Grievances lodged were neither auto populated in the SNA portal, nor were these acknowledged by the SNA. No mechanism to track the redressal of grievances was seen available in the SNA portal. No timeline and escalation mechanism had been prescribed for the settlement of grievances. Auto Short Message Service (SMS) alerts were not sent to the complainant either at the time of submission of grievance or at the time of its disposal.

(Paragraph 1.11.5)

1.1 Introduction

1.1.1 Inception of the Swasthya Sathi Scheme

The Government of West Bengal (GoWB) decided (February 2016) to implement a comprehensive Group Health Insurance Scheme namely *"Swasthya Sathi* (SS)*"*. The Scheme was officially launched by the State Government in December 2016 and rolled out in February 2017. The Health and Family (H&FW) Department, GoWB was responsible for implementing the *Swasthya Sathi* Scheme in the State.

To implement the SS Scheme, the *Swasthya Sathi Samiti*[1] (SS *Samiti*), a registered Society under the West Bengal Societies Registration Act, 1961 was set up to act as the State Nodal Agency (SNA). The SS *Samiti* was under the administrative control of the H&FW Department, GoWB.

1.1.1.1 Categories of beneficiaries covered

The categories of beneficiaries covered under the Scheme as well as the mode of implementation, gradually evolved as follows:

- When the Scheme was rolled out, it was to cater to volunteers/ contractual workers[2] in the State, and their families with the aim of protecting them from financially debilitating effects of illnesses. During this initial phase, the Scheme was implemented through a **Hybrid Mode** explained below:
  - Between the period February 2017 to July 2022, a mix of insurance and assurance modes, *i.e.* a **'Hybrid Mode'** was followed for the Scheme.
    - **Insurance mode:** Whereby Insurance Companies (ICs), were engaged to provide secondary and tertiary[3] care of up to ₹ 1.50 lakh per annum per family. Under this mode, ICs paid the costs of treatment of patients directly to the hospitals and premiums on behalf of beneficiaries were paid to ICs by the Government.
    - **Assurance mode:** Coverage of above ₹ 1.50 lakh and up to ₹ 5.00 lakhs per annum per family was provided by the H&FW Department itself. Under the assurance mode, the Government paid

[1] ***Governing Body*** *of the Swasthya Sathi Samiti is headed by the Chief Secretary to the GoWB (Chairman) with the Secretary & ex-officio State Nodal Officer (SS), H&FW Department, GoWB as Secretary. The* ***Executive Committee*** *is headed by the Pr. Secretary (Chairman) with the Secretary & ex-officio State Nodal Officer (SS), H&FW Department, GoWB as Secretary.*

[2] *Volunteers and other workers engaged in various development programme of the Government - members of Self-Help Groups, Civic Police/ Green Police/ Civic Defence/ Village Police Volunteers, Disaster Management workers, Home Guard/ National Volunteer Force (NVF), Accredited Social Health Activist (ASHA) workers, Integrated Child Development Services (ICDS) workers and other contractual/ casual/ daily rated workers.*

[3] *As per Indian Public Health Standards (IPHS), secondary care facilities provide specialized essential care including operative services, emergency and critical care, blood transfusion services etc., whereas tertiary care requires highly specialized equipment and expertise (for instance, specialized care in a hospital setting such as renal dialysis or heart surgery).*

costs of treatment to private hospitals, after the bills were cleared by Third Party Administrators (TPAs[4]), engaged by the Government.

- In September 2018, the Government decided to include under the *Swasthya Sathi* Scheme (SS Scheme), beneficiary families covered under the erstwhile *Rashtriya Swasthya Bima Yojana* [5] (RSBY). Beneficiaries selected on the basis of the deprivation index of the Socio Economic and Caste Census (SECC) 2011[6] were also covered under the Scheme. It was decided to implement this part of the scheme through **Assurance Mode** and to do away with the services of ICs. Enrolment as well as claim management (for upto ₹ 5.00 lakh per annum per family for secondary/ tertiary care) for these new beneficiaries was to be done directly by the H&FW Department, with the help of TPAs for bill settlement.
- Coverage of the Scheme was extended further in December 2020 to make it a Universal Health Protection Scheme for all permanent residents[7] of the State. It was decided that the additional beneficiaries (brought under the scheme from December 2020 onwards) would also be covered under the Assurance mode (*i.e.,* providing of secondary and tertiary care of upto ₹ 5.00 lakh per annum per family without engaging ICs) along with RSBY and SECC beneficiaries.
- The entire Scheme (*i.e.,* beneficiaries of all categories including volunteers/ contractual workers as discussed *ibid*) was shifted to the Assurance mode on 16 July 2022.

1.1.1.2 Enrolment and claim management procedure

Enrolment and claim management procedure followed under the SS Scheme was as described below:

Enrolment procedure: **(i)** In the initial phase when the Scheme was limited to contractual workers and volunteers, eligible lists of these employees/ volunteers were provided by the concerned Departments to ICs and accordingly the selected ICs carried out their enrolment at camps/ centres set up for the purpose.

(ii) Subsequently, RSBY and SECC beneficiaries were identified from the list provided by Government of India (GoI) and enrolled by selected TPAs at camps/ centres set up for the purpose.

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[4] *Third Party Administrator (TPA) means a Company registered with the Insurance Regulatory and Development Authority (IRDA) and engaged for a fee for providing health services.*

[5] *Health Insurance Scheme launched (April 2008) by Government of India (GoI) for the workers in the unorganized sector to provide health insurance cover to Below Poverty Line (BPL) families. The premium amount was shared by Centre and the States in 60:40 ratio.*

[6] *SECC 2011 had considered seven deprivation indicators for inclusion in the list of households below the poverty level. Out of which, rural families under six categories had been recognised under SS Scheme viz. SECC D1 (Only one room with kacha walls and kacha roof), SECC D2 (No adult member between age 16 to 59), SECC D3 (Female headed households with no adult male member between age 16 to 59), SECC D4 (Disabled member and no able-bodied adult member), SECC D5 {Scheduled Caste (SC)/ Scheduled Tribe (ST) households} and SECC D7 (Landless households deriving major part of their income from manual casual labour). Further, families living in Municipal areas and engaged in any occupational job which is hazardous, as per SECC 2011, were also recognised under SS Scheme.*

[7] *Except those covered by any Health Insurance/ Assurance Scheme/ coverage by any Government or Government Organisation or Parastatal or Public Sector Undertaking (PSU) etc., under any health protection scheme.*

(iii) As part of universalization of the Scheme in 2020, all permanent residents of the State, except those covered by any Health Insurance or Assurance Scheme of any Government or Government Organisations, Parastatals/ Public Sector Undertakings *etc*., were to be enrolled by TPAs at camps/ centres set up for the purpose.

(iv) Smart Cards were to be provided to all beneficiaries after completion of the enrolment process.

Claim Management Procedure: The *Swasthya Sathi* Scheme is managed *via* a paperless Information Technology (IT) platform since its inception. All claims are managed/ monitored through an IT based Transaction Management System (TMS). The TMS is a dedicated online portal for claim management and monitoring of the SS Scheme. All claims along with supporting documents were to be submitted by Health Care Providers (HCPs) to this IT platform and processed through TMS. The claim management procedure under the SS Scheme involved 'Hospitalisation (and its pre-authorisation)' and 'treatment & claim management', as detailed below:

A. Hospitalization and Pre-authorisation:

A beneficiary requiring treatment under the Scheme could get admitted to any of the empanelled hospitals, but the eligibility of the said beneficiary to receive treatment would be verified with reference to the SS Scheme Smart card. Further, treatment under the SS Scheme was also subject to pre-authorisation approval by ICs/ TPAs. Under the pre-authorisation process, the HCP would block the relevant treatment package for the patient and upload relevant prescriptions/ investigation reports/ documents on TMS. All these documents/ reports were subject to verification/ ratification of ICs/ TPAs. Once this process was complete, the admission of the patient was authorised by the ICs/ TPAs and required treatment provided. The entire process was routed through the TMS portal.

B. Treatment and Claim settlement:

After completion of treatment, the patient was to be discharged from the HCP with medicines for five days. Further, a transport allowance was to be given to the patient by the HCP and patient feedback was to be taken.

All supporting documents relating to claims had to be filed by HCPs within seven days from the date of discharge of the insured person. These claims were to be then settled/ paid by ICs within one month of claims being preferred by the HCPs. TPAs were to settle/ process the claims of HCPs and forward them to SNA within 15 days of these being preferred by HCPs, to enable the State Government to make payment to HCPs. The entire processing of claims was done through the TMS (except for release of payment by ICs/ State Government to HCPs, as discussed in ***paragraph 1.4***).

1.1.1.3 Coverage of beneficiaries

As of March 2023, the number of families enrolled under the SS Scheme was 2.43 crore, covering 8.62 crore beneficiaries. Number of empanelled HCPs under the Scheme, as of March 2023, stood at 2,605 (Government: 520 and

Private: 2,085). Further, 1,948 packages[8] were approved for the Scheme by the State.

Table 1.1: Number of families enrolled and empanelled HCPs under the Scheme

Year	No. of Beneficiary families enrolled (progressive figures)	No. of empanelled HCPs (progressive figures)
2016-17	34,49,697	635
2017-18	45,62,473	896
2018-19	53,12,654	1,307
2019-20	1,00,18,581	1,537
2020-21	1,85,98,621	2,082
2021-22	2,34,67,586	2,395
2022-23	2,43,06,508	2,605

Source: Document received from the SNA

1.2 Salient features of the Scheme

- Paperless, cashless, Smart Card [9] based Scheme under which all pre-existing diseases were covered. The SS Scheme provided basic health cover for secondary and tertiary care up to ₹ 5.00 lakh per annum per family.
- The unit of enrolment under the SS Scheme was the family. There was no cap on the family size and parents from both spouses were included. All dependent persons in the family were also covered.
- The entire premium/ cost of treatment was borne by the State Government and no contribution from the beneficiary was required.
- A *Swasthya Sathi* Smart Card was provided to each family on the day of enrolment. Smart Card captured all the details of family members, photographs, biometric, address, mobile number, SECC ID. As per norms, only one *Swasthya Sathi* card was to be issued to every family, to the eldest female member of the family.

1.3 Organisational set up

As discussed in ***paragraph 1.1.1***, the SS Scheme was implemented by the H&FW Department through the SS *Samiti*, which acted as SNA. Further, a State Level Implementation Committee (SLIC), under the chairmanship of the Chief Secretary, was constituted (March 2016) to oversee the implementation of the Scheme.

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[8] *Empanelled Hospitals provided free Health Care Services and for providing such services a specific rate for specific medical procedure was fixed (termed as "Package") by the Package Selection Committee (formed in June 2016) under the Authority of the H&FW Department.*
Each package *comprises Registration Charges; 'consultation fees of Surgeons/ Anaesthetists/ Medical Practitioners', cost of medicines/ surgical equipment/ diagnostic tests, etc.,* ***for Out-patient consultations****;* ***for In-patients****, Bed charges, Nursing charges, cost of diet given to patients, 'expenses incurred for consultations, diagnostic tests and blood/ medicines up to one day before the admission of the patient' and 'cost of diagnostic tests and medicines up to five days of the discharge from the hospital for the same ailment/ surgery'.*

[9] *Smart Card is for the purpose of identification of each beneficiary under the SS Scheme. The beneficiary will produce this card at the time of admission for the purpose of identification and medical treatment.*

At the district level, a District Nodal Agency (DNA), functioning under the chairmanship of the District Magistrate was responsible for Scheme implementation and monitoring of activities under it.

The DNA *inter-alia* comprised a team of one officer of the rank of Additional District Magistrate and one Deputy Magistrate, who acted as the District Key Manager (DKM), and District Nodal Officer (DNO), respectively.

The DKM was responsible for implementation of the Scheme including supervision and monitoring at the district level. The District Nodal Officer looked after the day-to-day implementation of the Scheme with the help of two District Coordinators[10] deployed by the SNA. Besides this, the Chief Medical Officer of Health (CMOH) of the concerned district also handled some aspects[11] pertaining to the Scheme's implementation.

1.4 Engagement of ICs & TPAs and Payments made therein

Engagement of ICs: Under the **Insurance mode**, responsibility of claim management (*i.e.* processing, checking and settlement of claims) of up to ₹ 1.50 lakh per family per annum (on floater basis[12]) rested with ICs. Further, under the Hybrid mode, ICs were responsible for enrolment of beneficiaries, for which the SNA paid an enrolment cost of ₹ 25/ 24 per beneficiary family to the concerned ICs.

During 2018-19 to 2022-23 (period of review) five ICs were engaged from time to time ***(Appendix 1.1)***. These companies were engaged by the SNA *via* open tendering and separate agreements were entered[13] into with the selected ICs by the SNA.

ICs released payment to HCPs through bank accounts {through National Electronic Funds Transfer (NEFT)/ Real-Time Gross Settlement (RTGS) mechanism} and uploaded the Unique Transaction References (UTRs-payment reference) in the TMS. Based on uploaded UTRs, payment to ICs were adjusted by the Government against premiums released to them.

Engagement of TPAs: Under the **Assurance mode**, SNA was responsible for processing as well as settling all claims. Under the **Hybrid mode**, SNA was responsible for processing as well as settling claims beyond ₹ 1.50 lakh and up to ₹ 5.00 lakh per family per annum (on floater basis). For management of claims which were to be paid by the SNA, the latter engaged IRDA enlisted TPAs (against payable fees) as Implementation Support Agency (ISA) through open tendering.

TPAs were responsible for verifying the claims submitted by HCPs based on medical documents uploaded in the TMS. If the claim was found admissible it was approved by the TPA. Claims that were found inadmissible were rejected by the TPA and such rejection along with the cause was reflected in the TMS for information of the concerned HCPs. Besides claim management, under the Assurance mode, TPAs were also responsible for enrolment of beneficiaries.

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[10] *One Hospital Coordinator and one IT Coordinator.*
[11] *Empanelment of HCPs, Post Discharge Medical Audit (PDMA) & surveillance etc.*
[12] *Entire sum insured is meant for all the members (a particular amount is not fixed for any member). So, if one family member makes a claim, the cover reduces for the rest by that amount.*
[13] *District-wise rates from the ICs were sought for. ICs were selected on the basis of lowest quoted rate. Initial agreement was executed for around one year. It was subsequently renewed in respect of two ICs. In respect of one IC (Iffco Tokio General Insurance) the agreement was not renewed after 31.12.2019.*

Final payments against the approved claims were made by the SNA directly to the bank accounts of concerned HCPs. After completion of payment, payment details were shared by the SNA with the TPA concerned and the latter then uploaded the UTRs (payment reference) in the TMS.

During the period covered under review (2018-19 to 2022-23) two TPAs *viz.* MD India Health Insurance Private Ltd. and Heritage Health Insurance Private Ltd. were selected for management of claims under the Hybrid mode. Further, Medi Assist Insurance Private Ltd. and Paramount Health Services and Insurance Private Ltd. were also selected for claim management as well as enrolment under the Assurance mode. Details are in ***Appendix 1.1***.

1.5 Audit objectives

Audit objectives were to assess whether

- An efficient and effective system had been developed to ensure implementation of the Scheme;
- Financial resources were adequate, and funds were provided in a timely manner to ensure proper implementation of the Scheme;
- Funds were utilized appropriately; and
- Internal control mechanism, monitoring and supervision were adequate and effective.

1.6 Audit criteria

The performance of the Scheme was assessed against the criteria drawn from the following:

- West Bengal Financial Rules;
- West Bengal Clinical Establishment Act, 2017 (WBCE Act) and Rules thereunder;
- Agreements[14] executed by the SNA with ICs and TPAs; and
- Orders, rules, notifications, circulars, instructions issued by GoI and State Government from time to time in this regard.

1.7 Audit coverage and methodology

Performance of the *Swasthya Sathi* Scheme during the years 2018-19 to 2022-23 was reviewed between May 2023 and February 2024. During the Performance Audit (PA), records of the H&FW Department (SS *Samiti*/ SNA) and six DNOs[15], including the concerned CMOsH, along with 65 private HCPs[16] were test-checked ***(Appendix 1.2)***. Of the six districts, five districts were selected through simple random sampling while Birbhum district was selected on judgmental basis. Further, a beneficiary survey[17] of patients was also conducted to assess the efficacy of services received under the Scheme.

An Entry Conference was held on 21 August 2023 with the Secretary of the H&FW Department, wherein audit objectives, coverage and methodology were

[14] *Scheme norms/ features, terms & conditions with Appendices mentioned in the Notice Inviting Tender (NIT) and Agreement*
[15] *District Nodal Officers-Swasthya Sathi under DKM of the respective DM office. Districts covered included Birbhum, Hooghly, North 24 Parganas, Purba Medinipur, Jalpaiguri and Murshidabad*
[16] *In addition, five public HCPs were also test-checked*
[17] *399 in-patients were surveyed during the visits to the HCPs*

explained. An Exit conference was also held (November 2024) to discuss the audit findings. Replies of the SS *Samiti* received in July 2024 and that of the H&FW Department received in December 2024, have been suitably incorporated in the Report.

Audit Observations

1.8 Implementation of the Scheme

As explained above, the implementation of the SS Scheme involved many stakeholders since it was being implemented through ICs, TPAs, HCPs and the H&FW Department & the SNA. Therefore, to assess the efficiency and effectiveness of the implementation process, audit scrutinized scheme records related to multiple stakeholders. Audit findings based on this examination are as follows:

1.8.1 Implementation of the SS Scheme: The performance of the SNA

1.8.1.1 Non-preparation of Annual Action Plans and Guidelines

The *Swasthya Sathi Samiti* or the SNA was registered as a Society under the West Bengal Societies Registration Act, 1961 in November 2016. In terms of clause 3.2 of the Memorandum of Association (MoA) of the *Samiti* read with clause 6.5.2 (ix) of its Rules & Regulation, the *Samiti* was to prepare Annual Action Plans (AAPs) for the SS scheme, to ensure systematic and decentralized planning of programme activities to attain the objectives.

However, it was seen that no such AAPs were prepared by the SNA during the period covered under audit to ensure that there was a systematic, planned approach towards implementing the Scheme.

In reply, the SNA stated (July 2023) that the AAP was published in the administrative calendar of the H&FW Department. However, this was not found acceptable by Audit since it was noted that the administrative calendar contained only the schedule of monitoring and review meetings for resolving various issues and did not have any mention of the AAPs. SNA in its updated reply (July 2024) stated that AAPs would henceforth be prepared as required under the MoA of the SS *Samiti*.

Further, in terms of Clause 3.2 of the MoA, the *Samiti* or SNA was to plan strategies and lay down detailed guidelines for achieving programme objectives within the overall broad policy and framework established by the State Government. However, it was noted that despite lapse of more than six years since the inception of the Scheme (in February 2017), no comprehensive guidelines for achieving programme objectives of the SS Scheme were prepared by the *Samiti* as of July 2024. All Scheme related features, such as basic information, terms and conditions, implementation structures *etc.*, were found available in a scattered manner across various documents such as NITs, Agreements, Notification, note-sheets, minutes of meetings and the official portal of the Scheme[18].

[18] https://swasthyasathi.gov.in/ *(also referred to as SNA Portal)*

While accepting the observation, the SNA stated (July 2024) that preparation of comprehensive guidelines for the Scheme was underway.

Recommendation:

1.1. The State Government may take steps to expeditiously frame comprehensive guidelines for the Scheme as well as prepare Annual Action Plans to ensure planned/ systematic implementation of the SS Scheme.

1.8.1.2 Enrolment of beneficiaries under the Scheme

(i) Enrolment under the Scheme

In December 2020, the SS Scheme was extended as a Universal Health Protection Scheme for all permanent residents of the State[19]. Prior to this universalization, only pre-identified and approved categories of beneficiaries (like contractual workers, volunteers, RSBY, categories of SECC beneficiaries *etc*.) were covered under the Scheme. These categories of beneficiaries were either already identified by other Departments[20] or were enrolled under other schemes[21]. However, after expansion & universalization, identification of beneficiaries under the SS Scheme *per se* became vital, especially to exclude people who were not permanent residents of West Bengal and those covered under other Government Health Insurance/ Assurance Schemes (who were to be excluded from the Scheme).

Audit observed that at the time of enrolment no steps were taken by the SNA to confirm whether the beneficiary was - **(a)** a permanent resident of the State; or **(b)** not covered under any other Health Insurance/ Assurance schemes. The system of verifying documents in support of permanent residence was not in vogue. Only a declaration was taken at the time of application that members of the family were not covered under any other Government sponsored Health Insurance/ Assurance Scheme and that they were not receiving any medical allowance from the Government. Besides this, no other measures were taken by the H&FW Department/ SNA to verify whether the applicant was already covered by any other Health Scheme like the West Bengal Health Scheme[22] (WBHS), Central Government Health Scheme (CGHS), Employees' State Insurance (ESI) scheme *etc.,* prior to enrolment.

It is pertinent to mention here that health schemes like WBHS and ESI were implemented by the Finance Department and Labour Department of GoWB, respectively. As these schemes captured Aadhaar numbers, the competent authority could have initiated de-duplication steps (using Aadhaar as primary key) prior to enrolling a beneficiary under the SS Scheme.

As a result in June 2021, SNA realised that in some districts like Bankura, Malda, Murshidabad and Birbhum, number of cards issued was more than that

[19] *Except those covered by any Government health insurance/ assurance scheme/ coverage by any Government/ Government Organizations, Parastatals/ PSUs etc.*
[20] *For contractual employees etc.*
[21] *RSBY and SECC beneficiaries*
[22] *The WBHS is meant for regulating the medical benefits for the State Government employees and their family members, with a view to providing better medical facilities to the employees and their family members*

of the projected number of families[23]. Accordingly, it was decided that the district authority should conduct data analysis. However, the result of such analysis was not on record.

Audit attempted to compare the SS enrolment numbers for the State, with the figures of families holding Ration Cards as per the Public Distribution System (PDS) records. Based on this comparison, the following was noted (as detailed in **Table 1.2** below):

Table 1.2: State level position of families enrolled under the SS Scheme *vis-à-vis* families holding Ration Cards

Families enrolled in *Swasthya Sathi* (as of March 2023)	Families holding Ration Cards in West Bengal (as of August 2023)	Difference
2,43,06,508	2,21,27,063	21,79,445

Source: a) Ration card data sourced from wbpds.wb.gov.in (portal of Food & Supplies (F&S) Department, GoWB) & b) Enrolled data based on document received from the SNA.

As seen from the table above, the number of families enrolled under the SS Scheme was much higher (around 10 *per cent*) than the number of families holding Ration Cards in West Bengal. Consequently, the risk of benefits of the Scheme getting passed on to ineligible beneficiaries, in deviation of norms, could not be ruled out.

As per the SS Scheme norms, only one *Swasthya Sathi* card is to be issued in every 'Family', to the eldest female member of the family. However, at the time of enrolment of beneficiaries, the modalities followed by the SNA/ District Authorities in ensuring due compliance of this aspect, remained unclear to Audit, as in this regard, no documentation was found on record.

Further, discrepancies between the number of families enrolled under the SS Scheme and those possessing ration cards were also noticed in test-checked districts, as detailed below.

Table 1.3: District-wise details of enrolment in the test-checked districts

Name of district	Families enrolled in *Swasthya Sathi* (as of March 2023)	Families holding Ration cards (number)	Difference (*percentage*)
Birbhum	10,94,469	9,34,987 (as of August 2023)	1,59,482 (17)
Hooghly	14,89,660	13,87,934 (as of August 2023)	1,01,726 (7)
Purba Medinipur	14,89,914	12,74,397 (as of August 2023)	2,15,517 (17)
Jalpaiguri	4,51,913	5,41,672 (as of August 2023)	-89,759*
North 24 Parganas	23,65,320	23,00,733 (as of December 2023)	64,587 (3)
Murshidabad	21,07,139 (as of January 2024)	16,85,347 (as of January 2024)	4,21,792 (25)

*Source: Ration card data as obtained from wbpds.wb.gov.in portal of F&S Department, GoWB compared with data provided by concerned district DNO-SS office * percentage has not been calculated since families enrolled in SS Scheme is lower than those holding ration cards*

[23] *Projection was made by doing extrapolation of the 2011 Census.*

From **Table 1.3** above, it can be seen that in five[24] out of six test-checked districts the number of families enrolled under the Scheme was higher than the number of families holding Ration cards and this difference was higher than the State average (i.e. 10 *per cent*) in three districts[25].

The SNA (July 2024) accepted the fact and stated this could be due to decadal growth rate and splitting of families. It also informed that mapping of all members through *Aadhaar* numbers was ongoing and work of data sanitisation had been initiated & would be further strengthened to delete duplicate members from the SS database.

The reply of the Government shows that the H&FW Department itself is not clear about the reasons behind the difference and that this is an issue which requires detailed examination, especially in view of significant percentage of higher enrolment numbers in districts like Murshidabad (25 *per cent*), Purba Medinipur (17 *per cent*), Birbhum (17 *per cent*) *etc*.

Thus, in absence of adequate control measures, as mentioned *ibid,* for elimination of ineligible beneficiaries at the time of enrolment, there is an inherent risk that a family which is not a permanent resident of the State, is covered under some other health scheme and may be benefitting from this Scheme, and may also be in possession of more than one SS Card, with the scope to avail additional cover of ₹ 5.00 lakh under the Scheme, against each card.

Recommendation:

1.2. The SNA may consider integrating the SS database with other databases related to Government schemes to ensure sanctity/ authenticity of beneficiaries and put in place a validation control mechanism to increase the reliability of data. Clear guidelines need to be issued by the H&FW Department to the SNA to carefully verify family details, residency status etc., at the time of enrolment.

(ii) Status of verification of single member family

The SS Scheme norms define a family to be covered under the Scheme as the beneficiary herself/ himself, spouse of the eligible beneficiary, children of the beneficiary and parents of both the spouses; and any other dependent member with physical disabilities not covered normally as per the definition of family in SS Scheme.

As noted in the previous para, in June 2021 the SNA realised that the number of *Swasthya Sathi* cards issued had become more than the number of projected families. The SNA therefore requested (October 2021) all district authorities to undertake a physical verification of cards with only a 'single member', so that the existing card of this single member could be blocked and his/ her name could be added to another card held by other family member/s (considering the definition of family specified for that purpose).

In this regard, scrutiny of performance of district authorities of six test-checked districts revealed the following position:

[24] *Except Jalpaiguri*
[25] *Birbhum, Purba Medinipur and Murshidabad*

Table 1.4: District-wise verification status of single member family

Name of the test-checked district	Number of single member families in respect of whom physical verification was to be conducted	Number of single member families in respect of whom physical verification was conducted	Number of single member families found ineligible	Number of cards blocked
(A)	(B)	(C = *percentage of Col. B*)	(D = *percentage of Col. C*)	(E = *percentage of Col. D*)
Birbhum	36,655	12,400 (34 *per cent*)	6,286 (51 *per cent*)	48 (0.76 *per cent*)
Hooghly	76,763	205 (0.27 *per cent*)	124 (60 *per cent*)	124 (100 *per cent*)
Purba Medinipur	71,227	8 (0.01 *per cent*)	0	0
Jalpaiguri	7,826	6,692 (86 *per cent*)	5,062 (76 *per cent*)	818 (16.16 *per cent*)
North 24 Parganas	79,891	36,601 (46 *per cent*)	Information not provided	
Murshidabad	85,309	No records/ data provided		
Total	**3,57,671**	**55,906 (15.63 *per cent*)**	**11,472 (20.52 *per cent*)**	**990 (8.63 *per cent*)**

Source: Information, document provided from the SNA and respective District offices

From the foregoing **Table 1.4**, it can be seen that the status of physical verification was extremely poor with less than 50 *per cent* of single member families having been verified in four districts. In case of Purba Medinipur, this number was as low as 0.01 *percentage*, while no verification details were provided by the district with the largest number of such beneficiaries requiring verification (i.e. Murshidabad with 85,309 single member families). Between 51 to 76 *per cent* of verified beneficiaries were found ineligible in three districts but only in case of one district (Hooghly) were all ineligible cards blocked by the district authorities.

Thus, despite identification of flaws and lapse of considerable time (since October 2021), the district authorities did not take appropriate action to rectify this issue, despite issue of specific instructions in this regard by the SNA.

The SNA in its reply (July 2024) accepted the fact and directed the district authorities to expedite the verification process.

(iii) Aadhaar updation status of SS database

Post universalisation of the scheme in December 2020, SNA decided to capture Aadhaar[26] numbers in the SS database, especially for the purpose of eradicating multiple enrolments of the same beneficiary under the Scheme. Accordingly, the SNA issued instructions to district authorities (October 2021), to collect Aadhaar numbers and update the same in the SS website.

In this regard it was noted that while in four of six test-checked districts, there was less than 10 *per cent* pendency in Aadhaar updation, this pendency was significantly high (ranging up to almost 24 *per cent*) in Murshidabad and Jalpaiguri. Details of Aadhaar updation in the six test-checked districts are as follows:

[26] *Aadhaar is a 12-digit individual identification number issued by the Unique Identification Authority of India on behalf of the GoI. The number serves as a proof of identity and address, anywhere in India.*

Table 1.5: Status of Aadhaar updation in the test-checked districts

Name of the test-checked district	Total No. of *Swasthya Sathi* members	Number of members for whom Aadhaar updation pending	*Percentage*
Birbhum	39,72,331 (as of March 2023)	3,66,281 (as of August 2023)	9.22
Hooghly	51,51,111 (as of March 2023)	4,76,304 (as of August 2023)	9.25
Purba Medinipur	51,19,640 (as of December 2023)	1,12,363 (as of December 2023)	2.19
Jalpaiguri	13,10,748 (as of March 2023)	3,09,033 (as of January 2024)	23.58
North 24 Parganas	81,75,579 (as of March 2023)	4,97,581 (as of January 2024)	6.09
Murshidabad	75,68,809 (as of December 2023)	11,54,871 (as of December 2023)	15.26

Source: Information, document provided from the SNA and respective District offices

Non-completion of the linking process would not only lead to non-compliance with Scheme verification protocols, but also impede the intended objective of eradicating multiple enrolments of the same beneficiary under the SS scheme. Furter, non-linking of Aadhaar details would also limit the tools available to cross-check and verify if the beneficiary was availing benefits under any other Government Insurance/ Assurance schemes.

In reply (December 2024) the H&FW Department stated that capturing of Aadhaar number was now mandatory and currently 92 *per cent* of *Swasthya Sathi* beneficiaries were linked with Aadhaar numbers. It was also added that District Authorities have been asked to expedite the Aadhaar linking process.

1.8.1.3 Empanelment and grading of HCPs

Empanelment of HCPs: For the empanelment process, eligible private HCPs had to upload their details online on the SS portal. The HCP would then be inspected by the IC for empanelment under the Scheme. From July 2022 onwards *i.e.,* after the discontinuance of the Insurance mode, the recommendation for hospital empanelment was instead made by the Clinical Establishment (CE) Licensing Authority[27] of the district. Final decision with respect to being empanelled was to be taken by the *Swasthya Sathi* Hospital Empanelment Committee, based on verification and checking of credentials of the HCP. All public HCPs providing secondary and tertiary health care services were deemed to be empanelled under the SS Scheme.

Grading of HCPs: A Committee of experts further recommended the gradation of hospitals into four categories[28], *viz.* Grade-A, Grade-B, Grade-C and Grade-R

[27] *A Clinical Establishment (CE) Licence is the registration of a CE (hospital, nursing home, diagnostic centre or single-doctor clinic) by the Government in terms of the WBCE Act 2017. The CE Authority, is the CMOH of the district, who provides the licence, facilitates policy formulation, resource allocation and determines standards of treatment. The CE Authority can impose fines for non-compliance of the provisions of the Act. The CE Authority visits HCPs and awards grades after verifying availability of the Infrastructure and Manpower as uploaded by the HCPs through self-declaration in the SS portal.*

[28] *Grades of Government hospitals were to be awarded based on the facilities and availability of number of beds in the hospitals – **(i)** All Super/ Multi Speciality Hospital/ Medical College & Hospital are categorized as **Grade-A**; **(ii)** District Hospitals, State General Hospitals, Special Hospitals, Sub-Divisional Hospital (SDH) having Cardiac Care Unit (CCU), Special Newborn Care Unit (SNCU), High-end Diagnostic Centres etc., are categorized as **Grade-B**; **(iii)** All other empanelled hospitals (HCPs) having minimum 30 bed strength for inpatients are categorized as **Grade-C** and **(iv)** General Hospitals having bed strength within the range of 10 to 29 are categorized as **Grade-R**.*
*Grades of private hospitals (HCPs) were to be awarded in the following manner – **(i)** Other than Super/ Multi Speciality Hospitals/ Medical College & Hospitals, National Accreditation Board for Hospitals & Healthcare Providers' (NABH) Accreditation, gradation of Private hospitals were to be awarded based on the score obtained by the hospitals in the empanelment inspection. Hospitals that do not fall under above categories, which scored 80 per cent and above as per Selection Criteria are categorized as Grade-A; **(ii)** All other Hospitals which scored at least 60 per cent but below 80 per cent are categorized as Grade-B; **(iii)** Other Hospitals (scoring below 60 per cent) qualified for empanelment are categorized as Grade-C and **(iv)** General Hospitals having bed strength within the range of 10 to 29 are categorized as Grade-R.*

as per infrastructure and manpower available in the hospital. It was the responsibility of the IC/ TPA to evaluate the HCPs in terms of available medical facilities with the recommendation of the CMOH of the concerned district. In both Hybrid/ Assurance modes, the Hospital Empanelment Committee at SNA took a final decision regarding grading. Moreover, based on periodic review change in gradation of HCPs could also be done by the Hospital Empanelment Committee.

Package Rates: The State level *Swasthya Sathi* Package Selection Committee undertook selection of different packages, package rates and categories. Package rates for different medical procedures were fixed based on the grading accorded to the hospital, with Grade-A getting the highest rate and Grade-R getting the lowest rate.

Shortcomings noticed in audit, in the process of gradation of empanelled HCPs, are described in the following paragraphs:

(i) Improper gradation of Government hospitals

In terms of clause 7.3.1 of the agreement executed between SNA and ICs, all Super/ Multi Speciality Hospitals/ Medical Colleges & Hospitals would be categorized as Grade-A Hospitals.

There were 27 Government Super Speciality Hospitals (SSHs) empanelled under the SS Scheme in the State. However, it was noted that none of these Hospitals had been empanelled as Grade-A[29] under the Scheme. The reasons for this were not available in records produced to Audit. Owing to lower grading (and consequently lower package rates), ICs paid lesser amount for treatments/ medical procedures in these super speciality hospitals, as part of the claim settlement, thus impacting the revenue flow of these hospitals.

In six test-checked districts it was observed that during the period April 2018 to July 2022, ICs[30] approved 22,501 claims pertaining to nine SSHs (comprising treatment packages for 2 to 114[31] procedures), against which ₹ 5.55 crore was received by the hospitals. Out of 22,501 claims, 22,288 claims listed under 105 treatment packages were re-calculated[32] by Audit considering rate of Grade-A. It was observed that had these SSHs been categorised as Grade-A, they would have earned an additional revenue of ₹ 4.68[33]crore from ICs.

In reply, the SNA informed (July 2024) that these SSHs were made fully operational in a phased manner and thus, as and when they became operational, gradation of the hospital was done. The H&FW Department, in its reply (December 2024) added that in view of the audit observation, gradation of SSHs as applicable would be made at the earliest.

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[29] *26 Hospitals were Grade-B and One Hospital was Grade-C.*

[30] *Bajaj Allianz General Insurance Company & Oriental Insurance Company Limited*

[31] *Such as i) 79 cases of Appendectomy (package code SS00600079), Grade-A rate: ₹15,000 and Grade-B rate: ₹13,500 and ii) 606 cases of Normal Delivery (package code SS00900095) Grade-A rate: ₹5,000 and Grade-B rate: ₹3,500.*

[32] *Out of 114 treatment packages, the rates of 105 treatment packages (which were available both under Grade-A and Grade-B) were considered for calculation.*

[33] ***Jangipur SSH, Murshidabad*** *(₹ 0.04 crore);* ***Sagardighi SSH, Murshidabad*** *(₹ 0.004 crore);* ***Arambagh SSH, Hooghly*** *(₹ 0.14 crore);* ***Panskura SSH, Purba Medinipur*** *(₹ 0.13 crore);* ***Egra SSH, Purba Medinipur*** *(₹ 0.55 crore);* ***Nandigram SSH, Purba Medinipur*** *(₹ 0.83 crore);* ***Suri SSH, Birbhum*** *(₹ 0.46 crore);* ***Jalpaiguri SSH, Jalpaiguri*** *(₹ 0.99 crore) and* ***Mal SSH, Jalpaiguri*** *(₹ 1.54 crore).*

The reply of the SNA was not acceptable as it was observed during test check that prompt action for review of grading was not being taken by the State. In case of Suri SSH (Birbhum district), it was noted that the Hospital Superintendent had requested the concerned CMOH in January 2021 to upgrade the said SSH from Grade-B to Grade-A as the hospital was delivering all multispecialty services to patients. Despite this, no action to upgrade the hospital to Grade-A was taken by the SNA (as of August 2023).

(ii) Improper gradation of empanelled private hospitals/ nursing homes (HCPs)

Test check of records of private empanelled HCPs, in five test-checked districts, during joint visits by Audit teams (along with officers/ officials of the district offices [34]) revealed anomalies/ irregularities *viz.* non-compliance with the general criteria/ parameters[35] for empanelment, as envisaged by the SNA. As per the grading pattern approved by the SNA, hospitals with scores of 80 *per cent* and above would be considered as Grade-A hospitals while those with scores between 60 *per cent* and 80 *per cent* were Grade-B. Other Hospitals scoring below 60 *per cent* were to be empanelled as Grade-C, whereas Hospitals having bed strength within the range of 10 to 29 were Grade-R Hospitals.

A review of 50 hospitals in five test-checked districts was carried out by Audit during joint inspections conducted between November 2023 and February 2024. During these joint visits, audit verified whether the availability of infrastructure/ manpower/ services at the HCPs was as per their gradation. In doing so Audit followed the prescribed grading procedure and identified the lacunae in those HCPs & graded them accordingly. Based on this examination, the following was noted by Audit:

- There were a total of 31 hospitals where the grading was needed to be reviewed, based on available infrastructure, services being offered, sanctioned strength of hospitals *etc*.
  - Grading of five 'Grade-A' HCPs was needed to be downgraded to either 'Grade-B' (three HCPs) or 'Grade-C' (two HCPs).
  - Similarly, grading of 24 'Grade-B' HCPs was to be reviewed to either 'Grade-C' (23 HCPs) or 'Grade-R' (one HCP). Further, two 'Grade-C' HCPs were to be downgraded as 'Grade-R' HCPs.

Due to improper gradation, these HCPs though entitled to lower package rates as per applicable norms of the SS Scheme were being paid at higher rates. Consequently such anomalies/ irregularities, resulted in payment of ₹ 14.48 crore in excess to 29 HCPs [36] (under Assurance mode), between July 2022 (16 July 2022) and the end of 2022-23 (31 March 2023), as detailed in **Table 1.6**. Further details in this regard are in ***Appendix 1.3***:

[34] *DNO-SS (District Swasthya Sathi Cell) & CMOH offices*
[35] *General criteria/ parameter such as health service infrastructure, hospital sanctioned bed strength, staff: patient ratio, emergency services, care unit & indoor facilities, diagnostic services & laboratory facilities, Bio-medical waste management etc.*
[36] *Though in two HCPs there was improper gradation, no financial outgo was involved.*

Table 1.6: District-wise details of improper gradation of HCPs

Name of the test-checked district	No. of empanelled private HCPs test-checked in the district	No. of visited empanelled HCPs with improper[37] gradation	Additional payment calculated based on revised Grading (in ₹)
Hooghly	10	5 (50 *per cent*)	2,58,98,085
Purba Medinipur	10	7 (70 *per cent*)	5,12,46,981
Jalpaiguri	10	4 (40 *per cent*)	55,18,660
North 24 Parganas	10	7 (70 *per cent*)	2,25,26,400
Murshidabad	10	8 (80 *per cent*)	3,96,10,005
Total	**50**	**31 (62 *per cent*)**	**14,48,00,131**

Source: Information, documents provided by the HCPs & joint physical visit by audit with the respective district officials

Thus, the SNA as well as district authorities had improperly allowed higher grading for the empanelled private HCPs in the districts in violation of the stipulated criteria/ parameters for such gradation. They had also not exercised adequate control/ inspection & monitoring over the empanelled HCPs and their grading procedure under the Scheme.

In reply, the SNA (July 2024) accepted improper gradation of three HCPs out of 29 HCPs pointed out by Audit and downgraded them, whereas in respect of the remaining HCPs, the SNA conveyed that gradation was as per the prescribed norms.

However, for these 26 HCPs, on the dates of joint visits by Audit, shortcomings were noticed owing to which such lower grading was pointed out.

Recommendation:

1.3 The State Government may ensure that grading of empanelled HCPs is awarded by the SNA after proper inspections duly taking into consideration availability of infrastructure, manpower and services at the HCPs.

1.8.1.4 General criteria of empanelment of HCPs and utilisation of the services of empanelled HCPs

As per the Agreement between the SNA and ICs, the insurer was to ensure that the beneficiaries enrolled under the Scheme were provided with the option of choosing from a list of empanelled HCPs for seeking treatment. All network hospitals providing services under the Scheme, on the day of signing of the Agreement between SNA and insurer, would be deemed to be empanelled[38] by the insurer. Clause 6.8 of the Agreement stipulated that the insurer would ensure that an adequate number of public & private HCPs were empanelled and that there should be at least one hospital for every 8,000 families enrolled in the Scheme. Further, as already discussed in ***paragraph 1.8.1.3***, after the discontinuance of the Insurance mode, the responsibility of empanelment of HCPs vested on the CE Licensing Authority of the concerned district.

[37] *Which were found to have been improperly allowed higher Grading in contrast to the specified parameter (per cent) of SNA*

[38] *In addition to the already enlisted HCPs, healthcare providers having adequate facilities and offering services as stipulated in the norms will be empanelled after being inspected by the IC or their representatives in consultation with the DNO-SS and approved by the District Administration/ State Government/ State Nodal Agency.*

(i) Non-compliance with the general criteria for empanelment of HCPs

Audit noted instances of non-compliance with the general criteria for empanelment as detailed below:

(a) Review of records revealed that 2.43 crore families were enrolled in the State as of March 2023. Accordingly, as against 3,038[39] HCPs to be empanelled to service these 2.43 crore beneficiary families, based on documents furnished by the SNA, Audit noted that only 2,605 HCPs were empanelled for the State as a whole, limiting the choice of hospitals and impacting service delivery for enrolled beneficiaries.

(b) Records of test-checked districts revealed that there were instances of lesser number of HCPs being empanelled in five of the six sampled districts, as shown in **Table 1.7**.

Table 1.7: Details of empanelled HCPs in the test-checked districts

Name of test-checked district	No. of families enrolled as of March 2023	No. of HCPs required to be empanelled*	No. of HCPs empanelled	Less empanelment of HCPs *(per cent)*
Birbhum	10,94,469	137	94	43 *(31)*
Hooghly	14,89,660	186	166	20 *(11)*
Purba Medinipur	14,89,914	186	193	0
Jalpaiguri	4,51,913	56	42	14 *(25)*
North 24 Parganas	23,65,320	296	285	11 *(4)*
Murshidabad	21,05,531	263	170	93 *(35)*

*Source: Data provided by the DNO-SS offices of test-checked six districts; * One HCP for every 8,000 families*

As can be seen from the **Table 1.7**, except for Purba Medinipur, there were lesser number of empanelled HCPs as compared to norms, which resulted in limited choice for enrolled beneficiaries under the Scheme. This also raised the risk that enrolled beneficiaries would need to travel long distances to visit empanelled HCPs and avail medical services under the Scheme.

Lesser availability of empanelled HCPs was further exacerbated by the fact that in some test-checked districts like Jalpaiguri (15 HCPs) and Hooghly (87 HCPs) there were significant number of inactive[40] HCPs.

Despite being inactive, the above-mentioned private hospitals/ nursing homes (HCPs) were shown 'active' in the SNA portal which was a dis-service to the beneficiaries during health emergencies. It was the responsibility of the respective DKMs[41]-SS and the SNA to ensure that empanelled HCPs were actually providing services under the SS Scheme.

The SNA accepted (July 2024) the audit observation and stated that all districts have been directed to conduct regular survey and surprise visits of inactive hospitals to assess actual issues being faced by the hospitals.

[39] *(2,43,06,508/ 8,000)*
[40] *Inactive HCPs mean HCPs unable to provide services under the Scheme.*
[41] *District Key Manager*

(ii) Underutilisation of empanelled HCPs

For proper implementation of the SS scheme, the role of empanelled HCPs was crucial. As mentioned in ***paragraph 1.8.1.4 (i)***, there were 2,605 empanelled HCPs. However, the data generated from the SS Scheme portal showed the presence of 2,694 empanelled HCPs (as of 31 March 2023). The reasons for the discrepancy in the above-mentioned figures were not found on record.

However, claim-wise details of 2,694 HCPs as obtained from the SS Scheme portal for the period February 2017 to March 2023 were examined by Audit and the following was noted:

Table 1.8: Status of claims as submitted by HCPs

Number of claims during February 2017 to March 2023	Number of HCPs (*per cent*) against the total empanelled HCPs
"ZERO" Claim	918 *(34)*
Number of Claims ranging between 1 to 10	124 *(4)*
Number of Claims ranging between 11 to 100	262 *(10)*
Number of Claims ranging between 101 to 200	158 *(6)*
More than 200	1,232 *(46)*
Total	**2,694 (*100*)**

Source: Data generated from the Swasthya Sathi Scheme portal

From **Table 1.8** it may be seen that 48 *per cent* of the empanelled HCPs during this six-year period had either not admitted any SS Scheme beneficiaries or had admitted less than 100 claims. This indicated that beneficiaries were either not aware of these empanelled HCPs or had not chosen these hospitals for treatment due to reasons not known. Thus, even after empanelment, the services of 48 *per cent* of the empanelled HCPs, could not be utilised adequately, restricting the choice for patients.

In reply, the SNA stated (October 2023) that the choice of HCP was the prerogative of the patients, and the H&FW Department had no control over such choice. The reply was not tenable as it was noted that adequate inspections of these HCPs were not carried out by the concerned authorities to investigate the reasons behind such poor admissions.

Besides, joint visits by Audit to private HCPs (along with officers/ officials of the district offices) in test-checked six districts during the period July 2023 to February 2024 revealed that signage [42] / posters/ banners (conspicuously displaying empanelment of the HCP under the SS Scheme) were not properly displayed to provide guidance to patients or for patients' awareness.

1.8.1.5 Undue financial advantage extended to Insurance Companies

Under the Hybrid mode, ICs played a major role in operating the Scheme (Insurance Component up to ₹ 1.50 lakh). Between April 2018 and July 2022, five[43] companies were engaged as ICs at different points of time, by the SNA.

[42] *As per clause 3 of the Agreement between the SNA and TPA/ ISA, for the ease of the beneficiary the hospital shall display recognition and promotional material, network status and procedures for admission at prominent locations including but not limited to outside the hospital, at the reception and admission counter and casualty/ emergency department. ISA shall make regular inspections to check whether such signage has been displayed properly or not.*

[43] *Bajaj Allianz General Insurance Company Ltd., Iffco Tokio General Insurance, National Insurance Company Ltd., Oriental Insurance Company Ltd. and United India Insurance Company Ltd.*

In course of audit, it was observed that various clauses stipulated in the Agreements were not enforced appropriately by the SNA, which allowed undue advantage to the ICs as detailed in the following paragraphs.

(i) Inadmissible consideration of enrolment cost of ₹ 6.27 crore under IEC

In terms of clause 21.1[44] and 22.1[45] of the five Agreements signed by the SNA with ICs, these Companies in consultation with the SNA would prepare and implement a communication strategy for launching/ implementing the SS Scheme. The objective of these interventions was to make beneficiaries aware about the enrolment process and benefits of the Scheme.

Accordingly, the Insurers were required to share a draft Information, Education & Communication (IEC) and Behaviour Change Communication (BCC) plan[46] with the SNA within 15 days of signing of the contract. As per the Agreement, the cost of these IEC and BCC activities would be borne by the Insurer. These IEC and BCC Plans were submitted by the Insurers to the SNA (between May 2018 and February 2020) and were subsequently accepted by the SNA.

Swasthya Sathi Scheme norms stipulated that under the Insurance mode of the Scheme, the premium part was to be paid to the ICs by the State Government on behalf of the beneficiaries. The annual premium was based on an 'insurance coverage of ₹ 1.50 lakh' and included an 'enrolment cost[47] of providing Smart Cards at the rate of ₹ 25/ ₹ 24, for new enrolment of each beneficiary family'. Thus, the cost of enrolment was included as part of the annual premium paid by the State to the ICs.

Further, as per the agreements, 10 *per cent* of the quoted price (or Annual Premium) was to be spent by the ICs during a policy year on IEC and allied activities in consultation with the SNA. Review of records/ information made available to audit revealed that five ICs had spent an amount of ₹ 52.65 crore (BAGIC [48] : ₹ 27.54 crore, NIC [49] : ₹ 11.20 crore, UIIC [50] : ₹ 9.13 crore, OIC[51]: ₹ 2.09 crore and IFFCO[52]: ₹ 2.69 crore) on IEC activities during their agreement period. Out of ₹ 52.65 crore, an amount of ₹ 6.27 crore was found to have been spent by three ICs (NIC: ₹ 0.50 crore, BAGIC: ₹ 5.73 crore and IFFCO: ₹ 0.04 crore) for enrolment purpose[53] despite the fact that enrolment of beneficiaries was not a component of IEC activities.

Thus, ₹ 6.27 crore as cost of enrolment charged by the ICs, as part of IEC component was inadmissible as it had already been paid as part of payment of annual premium by the Government. The reasons for considering enrolment cost, as IEC activity, were not evident from records.

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[44] *Clause 21.1 of Agreement dated 29.03.2018*
[45] *Clause 22.1 of Agreement dated 16.01.2020*
[46] *IEC and BCC activities inter alia included wall writing, hoarding, organizing health camps, Call Centre support etc.*
[47] *₹ 25 (April 2018 to 15 January 2020) / ₹ 24 (16 January 2020 to 15 July 2022)*
[48] *Bajaj Allianz General Insurance Company Ltd.*
[49] *National Insurance Company Ltd.*
[50] *United India Insurance Company Ltd.*
[51] *Oriental Insurance Company Ltd.*
[52] *Iffco-Tokio General Insurance*
[53] *Enrolment charge, engagement of manpower for new enrolment centre etc.*

In reply, the SNA stated (July 2024) that clarification of ICs was that ₹ 25 was used for blank cards only and other components pertaining to enrolment cost *viz.* the cost of printer, ribbon, card jacket, hospital booklet, setting up of enrolment centre *etc.*, were met from the IEC component.

The reply was not tenable as the enrolment cost was paid by the SNA which was duly included in the premium and there was no scope to adjust the cost of enrolment from the amount meant for IEC activities, which was also included in the premium paid. Thus, adjustment of any of the enrolment components from funds meant purely for meeting IEC activities was not in conformity with the extant norms of the Scheme.

(ii) Non-payment/ delayed payment of claims by Insurance Companies

Insurance Regulations, 2016 stipulated that an insurer shall settle or reject a claim, as may be the case, within 30 days of claims being preferred. The SNA also considered a 30 days' timeline for settlement of claims. Clause 4.12 of the executed Agreements between SNA and ICs stipulated that if the claim was not settled by the IC within 30 days from it being preferred, hospitals would be paid a penal interest at the rate of one *per cent* of claimed amount per 15 days of delayed settlement.

An analysis of data related to 13.36 lakh approved claims (provided by SNA) for the period between April 2018 and July 2022 was carried out by Audit using the Interactive Data Extraction and Analysis (IDEA) software. Based on this analysis, the following issues were noticed.

A. Claims approved but not paid by the Insurance Companies

During the period between April 2018 and July 2022, five ICs did not pay 3,955 claims at an estimated value of ₹ 7.26 crore to the hospitals despite the fact that these claims had already been approved by them. Reasons for such non-payment by ICs were not available in the records made available to Audit. IC-wise details of claims approved but not paid are detailed below:

Table 1.9: IC-wise details of claims (April 2018 to July 2022) approved but not paid

Name of the Insurance Company	Public Hospitals		Private Hospitals		Total	
	Number of claims not settled	Amount of claims not settled (in ₹)	Number of claims not settled	Amount of claim not settled (in ₹)	Number of claims not settled	Amount of claims not settled (in ₹)
Bajaj Allianz General Insurance Company	0	0	3	72,606	3	72,606
Iffco-Tokio General Insurance	9	66,650	4	1,70,372	13	2,37,022
National Insurance Company Ltd.	134	40,84,336	490	1,89,85,765	624	2,30,70,101
The Oriental Insurance Company Ltd.	885	42,88,097	592	1,43,26,389	1,477	1,86,14,486
United India Insurance Company Ltd.	698	30,77,041	1140	2,75,25,361	1,838	3,06,02,402
Total	**1,726**	**1,15,16,124**	**2,229**	**6,10,80,493**	**3,955**	**7,25,96,617**

Source: Data furnished by the SNA-SS Scheme

Further scrutiny of records revealed that District Key Manager (DKM), SS, Jalpaiguri had taken up (September 2022) the matter with the concerned IC[54] as the latter had not disbursed 742 approved claims to HCPs amounting to ₹ 97.65 lakh. All the 742 claims had been kept pending by the IC for more than 30 days, violating the claim settlement procedure as discussed *ibid*. However, even after lapse of 15 months (as of December 2023) no records of payment of claims to the respective HCPs by the IC were available.

Records produced to Audit did not reveal if any measures had been taken by the SNA to impose any penalty on these ICs for non-settlement of claims.

B. Short payment of penal interest

It was observed that payments with respect to 3.09 lakh claims (Government: 0.74 lakh and Private: 2.35 lakh) were made by the ICs after 30 days[55] of submission of claim by the HCPs. For such delayed payment, ICs should have paid interest amounting to ₹ 9.46 crore (Government: ₹ 1.31 crore and Private: ₹ 8.15 crore) to the hospitals as per the Agreement. Analysis of claim data, however, revealed that ICs paid only ₹ 0.51 crore (Government: ₹ 0.02 crore and Private: ₹ 0.49 crore) as interest as detailed in **Table 1.10** and **Table 1.11**.

Table 1.10: Details of Government HCPs

Name of the Insurance Company	Total Number of claims paid beyond 30 days	Interest to be paid (in ₹)	Interest actually paid (in ₹)	Short payment of Interest (in ₹)
Bajaj Allianz General Insurance Company Ltd.	3,204	4,82,777	5,649	4,77,128
Iffco-Tokio General Insurance	5,310	2,95,982	4,405	2,91,577
National Insurance Company Ltd.	7,514	15,63,274	14,834	15,48,440
The Oriental Insurance Company Ltd.	28,508	79,60,488	1,90,675	77,69,813
United India Insurance Company Ltd.	29,065	27,86,404	2,470	27,83,934
Total	**73,601**	**1,30,88,925**	**2,18,033**	**1,28,70,892**

Source: Data furnished by the SNA-SS Scheme

Table 1.11: Details of Private HCPs

Name of the Insurance Company	Total Number of claims paid beyond 30 days	Interest to be paid (in ₹)	Interest actually paid (in ₹)	Short payment of Interest (in ₹)
Bajaj Allianz General Insurance Company Ltd.	4,112	14,58,649	12,893	14,45,756
Iffco-Tokio General Insurance	3,290	13,08,514	45,921	12,62,593
National Insurance Company Ltd.	44,094	1,93,67,117	8,98,665	1,84,68,452
The Oriental Insurance Company Ltd.	1,47,550	4,35,20,969	37,07,003	3,98,13,966
United India Insurance Company Ltd.	36,560	1,58,90,083	2,42,506	1,56,47,577
Total	**2,35,606**	**8,15,45,332**	**49,06,988**	**7,66,38,344**

Source: Data furnished by the SNA-SS Scheme

The SNA did not monitor delays in settlement of claims by the ICs and no efforts were made to accurately assess the interest payable by the ICs to HCPs for these delays. Such inadequate monitoring and supervisory control over the activities of ICs by both the SNA and the district authorities led to bestowing of undue financial advantage on the Companies.

[54] *United India Insurance Company Ltd.*

[55] *On a conservative approach, delay has been calculated considering dates of claims processed by the ICs*

In reply, the SNA stated (November 2023) that the matter was communicated to the concerned ICs. No further reply was offered by the SNA/ H&FW Department.

(iii) Non-imposition of penalty on Insurance Companies (₹ 31.33 crore)

Performance of ICs was to be judged against various criteria like settlement of claims, enrolment related activities *etc*. As a deterrent to underperformance, the agreements with ICs provided for various penal provisions.

With regard to timeliness in settlement of claims, settlement within 30 days from date of submission of claim was stipulated as an acceptable standard. Non-adherence to the same was to attract a penalty based on the following criteria:

Table 1.12: Details of points assigned for under-performance

Benchmark	Points assigned in under-performance severity scale
If 10 *per cent* of claims remain unpaid at the end of 30 days	Four Points
If between 10 and 25 *per cent* of the claims remain unpaid after 30 days	Eight Points
If between 25 and 40 *per cent* of the claims remain unpaid after 30 days	10 Points
If more than 40 *per cent* of claims remain unpaid after 30 days	12 Points

Source: Information & documents provided by the SNA-SS Scheme

The threshold limits prescribed for imposition of penalty on ICs, based on the severity of under-performance, were as under:

Table 1.13: Details of Penalty Provision

Threshold limit of points	Penalty provision
Below 11 points but above 5 points	One *per cent* of total annual premium amount of the concerned IC.
11 -18 points	Three *per cent* of total annual premium amount of the concerned IC.
18-24 points	Five *per cent* of total annual premium amount of the concerned IC and cancellation of renewal.
False intimation of any of the above parameter	IC barred from bidding for three years.

Source: Information & documents provided by the SNA-SS Scheme

Scrutiny of details regarding settlement of all claims by NIC, OIC & UIIC for the period from 16 January 2020 to 15 July 2022 revealed that the *percentage* of claims settled by the ICs after 30 days ranged between 14 *per cent* and *48 per cent*. However, the SNA neither assessed the performance of the ICs in terms of the applicable penal clause nor imposed any penalty against the ICs as detailed below:

Table 1.14: IC-wise details of penalty to be imposed

Name of the IC	Total number of Claims settled	Number of claims settled after 30 days	*Percentage*	Point to be obtained on under-performance severity scale	Penal provision to be imposed	Total premium (₹ in crore)	Penalty to be imposed (₹ in crore)
NIC	4,00,421	56,305	14	8	1 *per cent* of Penalty	671.14	6.71
OIC	5,09,172	2,42,069	48	12	3 *per cent* of Penalty	694.35	20.83
UIIC	1,66,904	68,366	41	12	3 *per cent* of Penalty	126.27	3.79
						Total	**31.33**

Source: Data & information provided by the SNA-SS Scheme

From the foregoing Table it may be seen that despite the existence of penal provisions in the Agreements, the SNA did not recover penalty of ₹ 31.33 crore from the ICs for their underperformance in terms of timely settlement of claims. This not only amounted to extension of undue financial benefit to the ICs but also diluted the built-in control mechanism for timely settlement of claims. Similar observation covering the period upto 2018-19 had also featured in C&AG's Compliance Report (Government of West Bengal) for the year ended March 2020.

In reply, the SNA stated (July 2024) that the penalty for delayed payment to the hospitals could not be arrived at with reasonable accuracy as the responsibility of uploading the status of actual payments rested with the ICs. It was, thus, difficult for the SNA to know the status of actual payments made by the ICs, until payment details were uploaded by ICs. Further, it was added that the accounts of ICs had not yet been closed and SNA was making all efforts to upgrade the software so that actual penalties could be reflected automatically.

The reply was not acceptable as during audit it was noted that all the data required for the calculation of penalty was already available in the TMS, but was not utilised by the SNA for this purpose.

(iv) Non-refund of premium (₹ 8.46 crore) and interest (₹ 1.32 crore) by ICs for deficiency in providing services

The Agreements executed between the SNA and ICs stipulated specific clauses regarding refund of premium in case of deficiency of service by the ICs:

A. Clause 9.5 of the Agreement executed between the SNA and the ICs stated that in case the Claim Ratio (total amount of claims paid as compared to the total insurance premium received during the policy period) fell below 80 *per cent* then the Insurer, would return to the SNA the difference between actual claim amount paid and 80 *per cent* of the insurance premium received during the policy period.

B. As per clause 22.2 of the Agreement, if the amount spent on IEC and allied activities was less than 10 *per cent* of premium then the difference was to be refunded to the SNA.

Further, the insurers were required to refund the applicable part of the premium pertaining to any deficiency, within the stipulated period of 90 days from the end of policy period, failing which the insurer would have to pay interest at the rate of two *per cent* per annum, above the bank rate fixed by the Reserve Bank of India.

With reference to the above clauses audit scrutiny revealed cases of violation of stipulated clauses of the Agreement, wherein two of five ICs either did not refund or delayed refund of the premium amount, as follows:

- **Bajaj Allianz General Insurance Company (BAGIC)** was engaged for the period from 1 April 2018 to 15 January 2020 and total refundable amount as calculated by SNA for deficiency of service (shortfall in payment to HCPs and lesser amount being spent on IEC activities) was ₹ 51.19 crore. The demand for payment was raised by the SNA with the IC. However, the Company refunded the said amount between 30 April 2020 and 18 December 2020. Due to delay in refund of premium, demand regarding

refund of interest amounting ₹ 0.87 crore was raised by the SNA (latest in February 2022). However, no refund of this interest amount was made by the IC (as of July 2024).

- **National Insurance Company (NIC)** was engaged for the period from 16 January 2020 to 15 July 2022 and an amount of ₹ 15.16 crore was to be refunded to the SNA by the IC for expending lesser amount on IEC and allied activities. The SNA directed (December 2022) the IC to refund the said amount along with corresponding interest. However, it was noticed that NIC had not refunded the amount (July 2024), for reasons not on record. An interest of ₹ 0.45 crore [56] on the refundable amount was due from 16 October 2022 onwards at the rate as stated in the Agreement.

SNA in reply (July 2024) stated that the matter was communicated to ICs. One of the ICs, namely, BAGIC disagreed with the amount to be refunded as claimed by the SNA and in this context the SNA had sought legal views. With reference to NIC, the H&FW Department stated (December 2024) that ₹ 6.70 crore had been refunded (October 2024) by the NIC (₹ 8.46 crore was not refunded), although no documentary evidence in support of this was furnished to Audit. The replies were silent regarding recovery of interest amount from the two Companies.

Recommendation:

1.4 The Government may ensure that the SNA undertakes recoveries to be effected from ICs, in a timely manner.

1.8.1.6 Undue financial advantage extended to Third Party Administrators

Audit observed that under the Hybrid mode, (in implementation till July 2022), enrolment of targeted beneficiaries was done by the ICs, for which a fees of ₹ 25/ 24 per family in terms of card cost, was paid by the Department. These ICs were selected by the SNA through open tendering process.

Further, under the Assurance mode of the SS Scheme, when the State engaged IRDA[57] enlisted Third Party Administrators (TPAs) as Implementation Support Agencies (ISAs), tenders were floated and therein separate district-wise rates were sought from TPAs for claim management and enrolment. Accordingly, the rates finalised for TPAs/ ISAs selected, during April 2019 to March 2023, were as follows:

- Based on tenders floated in November 2018 by SNA, Medi Assist Insurance Private Ltd.[58] (Medi Assist) and Paramount Health Services and Insurance Private Ltd.[59] (Paramount) were selected as the TPA/ ISA, being the lowest bidders. As per the Agreements signed with these agencies, district-wise rates for enrolment in terms of card cost (per family) were fixed between ₹ 48.85 and ₹ 59.50. ISAs commenced work from April 2019 and continued up to 15 July 2021.

[56] *as on 31 March 2023*
[57] *Insurance Regulatory and Development Authority*
[58] *For 17 districts viz. Alipurduar, Bankura, Birbhum, Coochbehar, Howrah, Hooghly, Jalpaiguri, Malda, Murshidabad, Nadia, North 24 Parganas, Paschim Bardhaman, Paschim Medinipur, Purba Bardhaman, Purba Medinipur, Purulia and South 24 Parganas*
[59] *for six districts viz. Dakshin Dinajpur, Darjeeling, Jhargram, Kalimpong, Kolkata, & Uttar Dinajpur*

- After expiry of the aforesaid contract, fresh tenders were invited (February 2021) by the SNA and based on this, Medi Assist and Paramount again emerged as the lowest bidders. District-wise rates for enrolment in terms of card cost in these cases were fixed between ₹ 41.99 and ₹ 51 for 23 districts. Work commenced from 16 July 2021 and continued up to end of March 2023.
- Besides the above mentioned ISAs, three Public Sector PSUs *viz.* West Bengal Electronics Industries Development Corporation Ltd., Webel Technology Ltd. and Saraswaty Press Ltd. were also engaged[60] (as ISAs) for the purpose of issuance of cards at the same rates[61] as allowed to TPAs who were functioning as the ISAs.

The SNA incurred an expenditure of ₹ 95.73 crore, under the Assurance mode, for phase-wise enrolment of 1.65 crore families during the period from April 2019 to March 2023.

Audit scrutiny revealed that the process of enrolment in different modes of operation *i.e.* Hybrid mode and Assurance mode was the same. Despite this, while tendering under the Assurance mode, the SNA did not impose any ceiling/ maximum limit with regard to cost of issue of the *Swasthya Sathi* cards by ISAs. As a result, the cost of issue of cards under the Assurance mode was much higher than that in the Hybrid mode. While in the Hybrid mode the cost of issue of a card was ₹ 25/ 24 per card for a family, the same cost was almost double under the Assurance mode and ranged between ₹ 41.99 to ₹ 59.50.

As a result, the SNA availed the same service of enrolment from ISAs at much higher rate than that of the ICs, entailing an excess expenditure of ₹ 46.97 crore[62] (49 *per cent*) as detailed in ***Appendix 1.4***.

In reply, the SNA had stated (October 2023) that the cost of enrolment under Assurance mode included ancillary cost like Card Jacket, Chit Distribution[63] fees, cost of Hospital booklet *etc.,* and ISAs under Assurance Mode were selected through open tenders. In a further reply (December 2024), the H&FW Department *inter-alia* stated that (a) both e-tenders (*i.e.* ISAs and Insurance Companies) were different, hence, rate negotiation was never considered prudent and (b) ICs were actually paying around ₹ 60 per card to their Card service providers as cost of each card. Thus, the current enrolment cost arrived through competitive bidding appeared to be reasonable.

The replies were not tenable as

- Card cost/ cost of enrolment under Insurance mode @ ₹ 25/ 24 was also arrived at through open tenders for the same nature of service. Also, even if ICs were actually paying around ₹ 60 per card, only ₹ 25/ 24 was actually allowed by the Government for these cards. Moreover, no documentary evidence was furnished to establish that a higher rate of ₹ 60 per card was being paid by ICs.

[60] *During April 2019 to March 2023*
[61] *As finalised for the ISAs, through tenders*
[62] *From April 2019 to March 2023, including 18 per cent Goods & Services Tax (GST).*
[63] *Chit distribution is enrolment pertaining to RSBY and SECC beneficiaries based on a pre-determined list. For that purpose, a chit consisting of the details of beneficiary family (as per RSBY/ SECC) alongwith date and venue of such enrolment camp was distributed at block level prior to enrolment.*

- It was observed during audit of test-checked districts that neither any Card Jacket nor any Hospital booklet was provided to the beneficiaries under the Assurance mode. Further, no chit distribution was required for enrolment under the Assurance mode, for other than RSBY and SECC beneficiaries. Besides, the cost of this chit distribution was only ₹ 1.00 per family for RSBY and SECC beneficiaries.

1.8.1.7 Assurance Mode: Irregularities noticed during data analysis

As *Swasthya Sathi* claims to be a paperless Scheme, its operation and processing is done through an IT platform called the Transaction Management System (TMS). All claims of HCPs under the Scheme are submitted and managed through the TMS, developed by the SNA for that purpose.

Data pertaining to 7.24 lakh claims during the period 2018-19 to 2022-23 under Assurance mode, as furnished by the SNA, were analyzed by Audit. This analysis revealed the inability of the SNA in ensuring adequate validation controls in the IT system resulting in the following discrepancies/ irregularities:

(i) Payment made prior to admission/ discharge of patients

As already discussed in ***paragraph 1.1.1.2***, the HCPs could raise claims only after discharge of the patient. This meant that there was no scope for the SNA to release payment to HCPs either before admission or prior to being discharged.

An amount of ₹ 1.51 crore was found to have been paid by SNA to HCPs before admission of patients in respect of 2,229 claims, whereas 24 claims amounting to ₹ 0.08 crore were found paid prior to discharge of patients.

In reply, SNA stated (July 2024) that the procedure of updating the Payment Reference Number (UTR No.) at the *Swasthya Sathi* portal was done by the ISA/ TPA manually and there were instances when the date of payment was entered wrongly and as a result, the payment date was showing a date earlier than the actual payment date. Further, SNA stated that they had upgraded to automated-UTR-update to eliminate human errors.

The SNA however did not enclose any documentary evidence to support its contention that dates of payments were wrongly entered and that the system has been upgraded.

(ii) Wrong or duplicate mobile numbers linked with the beneficiary database

Data analysis revealed that there were large number of beneficiaries registered against same or invalid mobile numbers[64]. Overall, 2 to 2,139 beneficiaries were linked with a single mobile number in the SNA database. Also, Phone numbers used in case of 44,334 claims were not in the proper format[65].

SNA stated (July 2024) that at an earlier stage of the Scheme, when mobile numbers of patients or any family members were supposed to be entered in TMS, there was no validation of the same and thus, while registering a patient for treatment, there were instances where the mobile number was not captured/ or not properly entered. It was also stated that hospitals were now entering the correct phone numbers of patients.

[64] *Mobile numbers are significant for searching records related to any beneficiary in the database, who may approach the registration desk without the ID.*
[65] *like CKD STAGE V, 0, 1234567890, 000000000000 etc.*

(iii) Same doctor admitting patients in different districts on the same day

Analysis of data of the SNA revealed that the same doctors (recognised by Registration numbers) were seen to be admitting patients in different districts (even in case of districts far away from each other) on the same day in respect of 6,410 claims, involving a payment of ₹ 2.44 crore, which were approved by TPA for payment. Chances of some of these admissions being fraudulent could not be ruled out. As a consequence, veracity of such claims remained doubtful.

In reply the SNA stated (July 2024) that an Artificial Intelligence (AI) tool has been developed to track down such cases and corrective action for those cases would be taken accordingly. The reply, however, did not throw any light on the genuineness of such claims.

1.8.2 Implementation of the SS Scheme: Performance of ICs and TPAs

1.8.2.1 Delay in Pre-authorisation under Assurance mode

Clause 9 of the Agreement executed with TPAs stipulated that pre-authorization requests were to be scrutinized and approved by the TPA within 24 hours of their receipt from HCPs, if all conditions were fulfilled. Delay in according approval to pre-authorisation requests could lead to delays in getting treatment.

For the period October 2018 to March 2023, action time[66] in respect of 24.49 lakh pre-authorisation requests approved under the Assurance mode (as per data obtained from the *Swasthya Sathi* portal) was scrutinised in audit. It was noticed that 10.47 lakh pre-authorisations (43 *per cent*) were not approved within the stipulated period of 24 hours. District-wise delays in according pre-authorisation approval ranged between 25 *per cent*[67] (Kalimpong) to 61 *per cent*[68] (Birbhum).

Delay in approving valid pre-authorisation requests not only deprived the patients entitled under the Scheme from getting treatment in time but also indicated poor performance on the part of the TPAs.

Despite such poor performance by the TPA, the SNA neither took up this issue with TPAs nor did it initiate any remedial actions in coordination with TPAs. Further, in the absence of any penal clause in the agreement, no penalty for such delayed approvals by TPAs, could be imposed on them.

In reply (July 2024) the SNA stated that due to non-availability of required documents, some pre-authorizations were delayed.

1.8.2.2 Training Programmes/ Workshops and beneficiary audit not conducted by ICs

As per Agreement executed between SNA and ICs, the latter were supposed to (i) conduct training of each enrolment team during the period of enrolment; (ii) conduct training for personnel in the concerned hospitals' at least twice a year and (iii) conduct beneficiary audit on random basis within 30 days of discharge of patients from the HCPs.

[66] *Time gap between upload of pre-authorization request and approval of pre-authorization.*
[67] *1,641 out of 6,612 approved requests.*
[68] *80,019 out of 1,32,261 approved requests.*

However, during audit of test-checked six district offices (including test-checked private HCPs) no relevant documentation/ records regarding any such trainings conducted by ICs or with any beneficiary audit undertaken, were produced before Audit ***(Appendix 1.5)***. Thus, Audit could not gain assurance on whether these activities, which had a direct impact on quality of service delivery, were actually undertaken by ICs or not.

1.8.2.3 Training programmes not conducted by TPAs

Similarly, as per terms of applicable Agreements, TPAs were also responsible for (i) continuous review of medical facilities available at the Network Hospitals[69]; and (ii) organizing training programme for empanelled hospitals, *Rogi Sahayaks*[70] (under *Rogi Sahayata Kendra*) and *Swasthya Sathi* help desk personnel.

However, audit of test-checked six district offices (including the test-checked private HCPs) revealed that the TPAs had not fulfilled their training obligations in accordance with the terms of the Agreements. This issue of non-conduct of training programmes was not taken up by the SNA with the TPAs, hampering proper implementation of the Scheme and delivery of quality services.

The SNA had accepted (July 2024) the audit observation and informed that documentation of training by the TPAs will be maintained.

1.8.2.4 Building Awareness among beneficiaries through IEC activity

Under Hybrid mode, ICs along with SNA were responsible for building awareness about the SS Scheme amongst beneficiaries through various IEC[71] activities. With the departure of ICs, responsibility of creating awareness lay with the Government authorities *viz.* SNA and DNA.

Review of records in test-checked six district offices revealed that during the period under audit no IEC activities were conducted in the test-checked districts by the ICs except Bajaj Allianz General Insurance Company which had organised one camp[72] in Birbhum district.

In reply the SNA informed (July 2024) that planned IEC activities could not be rolled out by the ICs due to COVID-19.

Recommendation:

1.5 The Government may ensure that the SNA exercises due diligence in monitoring & control over TPAs to ensure that the latter deliver services to beneficiaries as per the Scheme objectives and in line with the terms and conditions of applicable Agreements.

1.8.3 Implementation of the SS Scheme: Performance of HCPs

The objective of the Scheme is to provide cashless treatment to beneficiaries. Package rates of *Swasthya Sathi* included all expenses related to treatment like consultation, bed charges, diagnostic test & medicines 'from one day before admission' and 'upto five days of discharge of the patient'. The Scheme also

[69] *Empanelled Hospitals*
[70] *Rogi Sahayaks facilitate the process of admission of SS beneficiaries in Government HCPs. These Rogi Sahayaks were initially functioning in RSBY, thereafter inducted for implementation of SS Scheme*
[71] *Information, Education & Communication*
[72] *between November 2018 and December 2018*

aimed to provide Outpatient Department (OPD) facilities to the beneficiaries. As per clause 5 of Article 14 of the Agreement between SNA and ICs, activities such as charging treatment cost from patients, claiming for services not provided *etc.*, on the part of the HCPs, were considered malpractices. Specific penal provisions, against those malpractices by the HCPs, were stipulated in the Agreement. Further, a survey was conducted by Audit through visit of different HCPs in the test-checked districts.

1.8.3.1 Poor health care services in test-checked HCPs

WBCE Act, 2017 and Rules thereunder were enacted by GoWB to preserve minimum standards of facilities and service to be provided by Clinical Establishment (HCPs) to beneficiaries. For empanelment under the SS Scheme, HCPs should mandatorily have a valid CE Licence. After empanelment, HCPs were required to provide medical treatment/ facility to beneficiaries in accordance with given standards.

However, during visit to test-checked HCPs, deviations were noted by Audit which eventually deprived beneficiaries from getting standard medical treatment as detailed below:

(i) Shortage of healthcare personnel in test-checked HCPs

WBCE Act, 2017 and rules thereunder specified that healthcare personnel were to be engaged in accordance with bed strength of HCPs. Further, as per norms of the SS scheme, HCPs had to engage healthcare personnel, in keeping with the stipulation of the mentioned Act & Rules.

A total of 65 empanelled private HCPs in test-checked six districts were jointly reviewed by Audit along with officers/ officials of the district offices. With reference to the WBCE Rules, the following shortage of healthcare personnel {(Resident Medical Officer (RMO) and nursing staff} were noted by Audit:

Table 1.15: District-wise position of shortage of healthcare personnel in test-checked HCPs

Name of the test-checked district	No. of empanelled HCPs	HCPs wherein RMOs were not found during joint visit	HCPs wherein strength of RMOs was not in compliance to WBCE Act/ Rules[73]	HCPs wherein strength of Nursing staff was not in compliance with WBCE Act/ Rules[74]
(A)	(B)	(C)	(D)	(E)
Birbhum	12*	3	7	8
Hooghly	10	3	2	6
Purba Medinipur	10	0	1	4
Jalpaiguri	10	3	3	3
North 24 Parganas	10	2	9	7
Murshidabad	10	3	10	8

Source: Information provided by the visited Private HCPs in test-checked six districts;
**In Birbhum district, out of 15 HCPs visited three HCPs did not furnish any records to Audit.*

[73] *There shall be at least one doctor to act as RMO is case of HCP upto 15 beds. Thereafter for every additional 15 beds or fraction thereof there shall be one additional RMO upto 100 beds. For every additional 20 beds or fraction thereof, there shall be further one additional RMO from 101 to 200 beds. For every additional 25 beds or fraction thereof, there shall be further one additional RMO from 201 to 300 beds. For 300 beds onwards one additional RMO for every additional 50 beds or fraction thereof and so on.*

[74] *There shall be at least four qualified registered Nursing staff in case of a HCP upto 15 beds. Thereafter for every additional five beds or fraction thereof one additional nursing staff shall be engaged.*

The above position of shortage of RMOs and Nursing staff/ shortage of Nursing staff having requisite qualification in HCPs indicated that the quality of healthcare services was compromised and there was lack of monitoring on the part of the SNA/ H&FW Department.

In reply, the SNA stated (July 2024) that the matter has been communicated to concerned CE licensing authority and the District Surveillance Teams (DST[75]) had been instructed to visit HCPs to identify shortage of manpower. It was also added that the HCPs had been directed to comply with the CE Act 2017.

In addition to the above, during test check it was noted that in two HCPs (*i.e.,* Jyoti Nursing Home, and Joy Durga Nursing Home & Diagnostic), in Birbhum district the HCPs could not furnish any statutory documents like CE licence, fire No-Objection Certificate (NOC)/ licence, NOC/ licence of WB Pollution Control Board *etc.*, to Audit. In case of Jyoti Nursing Home HCP, three of the five nursing staff did not have any professional qualification to perform nursing duties. Hence, in the absence of statutory documents as well as medical staff the quality of treatment provided by these HCPs was doubtful. It is pertinent to mention that during the years 2018-19 to 2022-23, ₹ 4.26 crore (3,033 claims) and ₹ 0.03 crore (27 claims) were paid to Jyoti Nursing Home and Joy Durga Nursing Home & Diagnostic respectively in settlement of claims.

SNA in reply stated (July 2024) that it had instructed concerned CMOsH to conduct physical inspections. Based on physical inspections, one HCP[76] was suspended whereas the other HCP[77] had produced all statutory documents to the CMOH during physical inspection.

(ii) Non-availability of OPD treatment in empanelled hospitals

Clause 6.6 of the Agreement signed between the SNA and ICs stipulated that both the public and private HCPs should provide free registration and Outpatient Department (OPD) consultation to SS enrolled beneficiaries. However, in case of 65 test-checked HCPs it was observed by Audit that there was no system of providing free OPD consultation to SS beneficiaries. Only In-patient Department (IPD) patients and Day Care patients (like for dialysis, *etc.*) were entertained under the Scheme.

SNA replied (July 2024) that OPD/ IPD treatment is given as per required clinical protocols and that a new module has been developed in the Information Database to keep track of OPD cases.

(iii) Male and female patients kept in same area

The West Bengal Clinical Establishment Rules stipulated that except for Intensive Therapy Unit (ITU) and Intensive Cardiac Care Unit (ICCU) with provision of curtains, no male patients were to be allowed to stay with female patients inside a ward. Further, there should be separate wards for male and female patients.

[75] *DST comprise of CMOH (Chairman) & Dy. CMOH-I (Member-Convenor) of the concerned district*
[76] *Jyoti Nursing Home*
[77] *Joy Durga Nursing Home & Diagnostic*

- In case of two HCPs (Birbhum[78] and Murshidabad[79] districts) it was seen that male and female IPD patients were kept in the same area.
- In one HCP (in Jalpaiguri[80] district) both male and female IPD patients were treated in Intensive Care Unit (ICU) step-down ward[81] without any curtains for separation.

Picture 1.1: Male & female patients kept in the same ward in Glocal Hospital Bolpur, Birbhum.

Picture 1.2: Male & female patients kept together in the ICU step-down ward of Marina Medical Centre Pvt. Ltd, Jalpaiguri.

In reply, the SNA stated (July 2024) that DSTs have been asked to conduct visits and identify the hospitals which were not maintaining patient privacy policy as per CE guidelines.

(iv) Under equipped Emergency and other Critical Care Services

(A) Emergency Ward: In 16 of 50 test-checked HCPs, it was seen that Emergency wards did not have adequate/ appropriate equipment or facilities such as defibrillator, ventilator, infusion pump *etc.* Although at the time of empanelment these 16 HCPs had declared that Emergency wards were available, it was noticed that these wards were only basic in nature, without requisite equipment to handle patient emergencies effectively.

Picture 1.3: No facility like oxygen supply etc., was available. Only an observation table & doctor's table were there (New Amtala NH, Murshidabad).

Picture 1.4: No facilities available, only beds kept in an area earmarked as an emergency ward (Loknath Nursing Home, Birbhum).

[78] *Glocal Hospital Bolpur, Birbhum*
[79] *Manmohini Healthcare Pvt. Ltd., Berhampore*
[80] *Marina Medical Centre Pvt. Ltd.*
[81] *Step-down wards provide an intermediate level of care for patients with requirements somewhere between that of the general ward and the Intensive Care Unit.*

(B) NICU, CCU/ ICU, Burn Unit: In test-checked HCPs in selected six districts, basic amenities were either not found available or found non-functional in Critical Care Units like Neonatal Intensive Care Unit (NICU)[82], ICU/ Cardiac Care Unit (CCU)[83] and Burn Unit. In test-checked 16 HCPs, NICU was either non-functional or ill-equipped whereas in nine HCPs, ICU/ CCU was not adequately equipped; and in eight HCPs, basic facilities[84] as required to handle burn patients were not available.

Picture 1.5: The room earmarked as NICU but basic infrastructure was not kept (Holy Heart Medical Centre, Murshidabad).

Picture 1.6: Basic infrastructure was not kept in Burn Unit apart from beds and table (Gitaram Hospital, Murshidabad).

Visits if any, carried out by the concerned Government officers with respect to regular monitoring of the HCPs under the Scheme were not put on record. This indicated that there were shortcomings in supervision and monitoring by the competent district and State authorities which ultimately affected the quality of treatment provided to beneficiaries.

In reply, the SNA stated (July 2024) that CE Licencing Authorities had been directed to undertake regular monitoring of the wards/ units such as emergency, NICU, CCU/ Pediatric Intensive Care Unit (PICU), *etc.* at the HCPs.

(v) Absence of certain services in HCPs in contravention of empanelment criteria

Both Public and Private HCPs are major stakeholders under the SS Scheme, responsible for actual service delivery to beneficiaries. Appendix 16 of the Agreement signed between SNA and ICs stipulated certain criteria for empanelment of HCPs under the SS Scheme. The district health authorities recommended HCPs to SNA for empanelment under the Scheme after verification of the concerned hospital.

A joint physical verification of 50 test-checked private HCPs, in five test-checked districts[85] was conducted by Audit along with the district officials. During this verification a number of shortcomings were observed in infrastructure, services, patient facilities, infection control practices *etc.,* as reflected in **Table 1.16**:

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[82] *in NICU equipment like Heart or cardiorespiratory monitor, Respirator or mechanical ventilator etc. are essential*
[83] *in CCU Respiratory ventilator, patient monitor, infusion pump etc., are essential*
[84] *Canopy over the bed, adequate infection control mechanism etc.*
[85] *Except Birbhum, as the information was not complete due to inadequate records*

Table 1.16: Absence of certain services in visited HCPs

Services/ facilities	No. of HCPs where the services/ facilities are not available *(percentage)*
I- General and Infrastructural Information	
Adequate signage (SS scheme poster or banner for SS Hospital at strategic location)	46 HCPs (92)
Provision for elevator or ramp (Both ramp and elevator)	17 HCPs (34)
Parking places (Provision for parking place for ambulances)	17 HCPs (34)
II- Infection Control Measures	
Waste handling materials/ other waste treating chemicals (personal protective gears such as boots, goggles, gloves, gowns *etc.*, & waste treating chemicals)	15 HCPs (30)
Regular validation tests for sterilization of OT, ICU, NICU, CSSD[86]	25 HCPs (50)
Vaccination of Bio-medical waste handlers against TT, Hepatitis B	44 HCPs (88)
Regular Autoclaving of Instruments & Linen	12 HCPs (24)
Carbolization of the OT, Labour Room *etc.*	15 HCPs (30)
III- Provisions for Patient Rights	
Adequate provision for Patient Privacy use of curtains for treatment and separate changing room	25 HCPs (50)
Display of Rights and Responsibility of the Patients at prominent places in bilingual language of local community	35 HCPs (70)
Grievance Redressal Mechanism in the facility	45 HCPs (90)
Functioning complaint Drop Box	24 HCPs (48)
IV- Evaluation and Care of In-Patient	
Physical examination of the SS patients and capturing their full medical history prior to admissions	16 HCPs (32)
Proper maintenance of medical records	30 HCPs (60)
V- Health & Safety	
Display of Emergency Telephone numbers in the HCPs (Reception, Emergency Room, Fire Control Room, Security Supervisor, Chief Maintenance Engineer & Police)	42 HCPs (84)
Display of fire exits and escape routes in the HCPs	19 HCPs (38)
Display of No Smoking Area, Do's and Don'ts *etc.*, in entire hospital/ prohibited areas	33 HCPs (66)

Source: Records of visited HCPs; Note: OT: Operation Theatre & TT: Tetanus Toxoid

The SNA in reply stated (July 2024) that, the District Authorities/ DSTs have already been instructed to conduct physical visits to such hospitals to comply with the audit observations.

All these were indicative of shortcomings in implementation of the SS scheme, through deficiencies in services provided by HCPs.

1.8.3.2 Other irregularities noticed in HCPs

(i) Money charged from the Scheme' patients

In-Patients' survey involving 399 in-patients was conducted by Audit in test-checked HCPs of six test-checked districts which revealed that 141 in-patients had paid consultation fees ranging between ₹ 70 and ₹ 700, whereas 112 in-patients had to bear costs ranging between ₹ 250 and ₹ 20,000 for diagnostic tests before admission. Further, 24 in-patients had been charged money during hospitalization by the HCPs ***(Appendix 1.6)*** in contravention of schematic provisions which envisaged cashless treatment.

[86] *Central Sterile Services Department*

Regarding the instances of money being charged, the H&FW Department stated (December 2024) that all proven cases have been dealt with very seriously & refund in all cases has been ensured and the concerned hospitals have been warned.

(ii) Short payment towards transport allowance of SS patients

Jeebandeep Nursing Home is a Grade-'C' Nursing Home (NH) under SS Scheme at Dhupguri, Jalpaiguri. As per *Swasthya Sathi* Scheme norms all patients treated in private hospitals would receive ₹ 200 at the time of discharge towards transport allowance. Accordingly, the said HCP received ₹ 200 per admitted SS patient in the claims package which was to be paid to patients at the time of discharge. Scrutiny of the admission register of SS patients revealed that there were acknowledgements of receiving ₹ 100 only instead of ₹ 200 by the SS patients at the time of discharge since April 2018. The said fact was corroborated by documents of Transport Allowance (TA) acknowledgements provided by the SS patients as well as from patient survey reports. The HCP treated 2,784 SS patients during the period from April 2018 to December 2023. Hence, an amount of ₹ 2.78 lakh[87] was wrongfully retained by the HCP and beneficiaries were deprived of the allotted TA under the scheme.

The H&FW Department in reply (December 2024), stated that audit observations have been considered seriously and instructions issued to all district authorities to conduct physical visits on regular basis and submit reports. Further, the Department also stated that, various reforms in the software module have been introduced, like upgradation of software with modern technologies, involvement of AI in trigger management, issuance of various advisories restricting cases susceptible to misuse *etc.,* to bolster the implementation process.

Recommendation:

1.6 The State Government may ensure that the SNA and the district authorities carry out periodic inspections and closely monitor HCPs to ensure that standards of infrastructure, facilities/ amenities and personnel in the empanelled hospitals are maintained as per terms and conditions of applicable Agreements.

1.9 Financial Resources

The adequacy of the financial resources, available for implementation of the Scheme, was assessed and the following observations were noticed:

1.9.1 Fund position of the Scheme

The main source of funds for the SS scheme was budgetary allocation from the State wherein funds were allotted to SNA by the H&FW Department, GoWB. In addition, refund of premium[88], penalty collected for violations of the norms, interest earned from bank *etc.*, were other sources of funds for the Scheme.

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[87] *(₹ 100 X 2,784)*

[88] *Agreement executed between SNA and ICs stipulated specific clause regarding refund of premium, viz. in case the claim ratio (hospital claims paid to premium received) is less than 80 per cent, then the insurer will return the difference between actual claim and 80 per cent of the insurance premium to the SNA. Ten per cent of the Annual Premium was to be spent during a policy year on IEC and allied activities in consultation with the SNA. The amount spent, less than 10 per cent of premium on IEC, was to be refunded to the SNA.*

Funds allotted by the H&FW Department to the SNA were drawn by the SNA and deposited to the Deposit Account of SS *Samiti*. To implement the scheme, Cash Credit Loan (CCL[89]) was also raised, as discussed in the subsequent paragraph.

Payment of premium to ICs, fees to TPAs, cost of enrolment, expenditure for IEC activities *etc.* were made from the Deposit Account. The procedure of settlement of claims to HCPs, under the Assurance mode (and from 16 July 2022), has been discussed in ***paragraph 1.4***.

In this regard, Audit observed that admissible claims of HCPs were settled/ processed and forwarded by TPAs to SNA within the stipulated period of 15 days of claims being preferred by HCPs. On receipt of admissible claims from TPAs, payments were made by SNA to bank accounts of HCPs.

Year-wise budgetary allocation, total funds available and expenditure of the State on the Scheme are shown in **Table 1.17**.

Table 1.17: Year-wise budgetary allocation, total fund available and expenditure on *Swasthya Sathi* Scheme (*₹ in crore*)

Financial Year (FY)	Opening Balance	Allotment Received	Other funds received	Cash Credit Loan (CCL)	Total	Expenditure	Repayment of CCL	Total Expenditure	Closing Balance
2018-19	50.66	48.33	197.21*	0	296.21	240.68	0	240.68	55.53
2019-20	55.53	420.08	218.55@	0	694.16	555.18	0	555.18	138.98
2020-21	138.98	688.39	56.34#	720.66	1,604.37	999.84	557.39	1,557.23	47.13
2021-22	47.13	2,371.13	0	1.29	2,419.56	2,074.46	175.41	2,249.88	169.69
2022-23	169.69	2,500.00	0	0	2,669.69	2,279.09	0	2,279.09	390.60
	Total	**6,027.93**	**472.10**	**721.95**		**6,149.25**	**732.80**	**6,882.06**	

*Source: Relevant records furnished by the H&FW Department and the Samiti, GoWB; *This included transfer of unspent balance of RSBY (State Share) fund of ₹130.58 crore, transfer of State Share pertaining to AB-Swasthya Sathi Scheme (Scheme discussed in paragraph 1.9.3) of ₹45 crore and refund from ICs ₹21.50 crore; @This included transfer of State Share pertaining to AB-Swasthya Sathi Scheme of ₹218 crore; # Refund of Insurance Premium.*

It can be seen from **Table 1.17** that during the period 2018-19 to 2022-23, out of total SS Scheme funds available[90] of ₹ 7,272.64 crore, total expenditure of ₹ 6,882.06 crore (95 *per cent*) was incurred. The Scheme expenditure jumped from 2020-21 as the coverage was extended in December 2020 to make it a Universal Health Protection Scheme for all the permanent residents of the State.

1.9.2 Payment of interest due to delay in release of budgetary allotment

SS Scheme was implemented simultaneously in both Hybrid and Assurance mode. Under Hybrid mode, SNA had to pay premium to the selected ICs for health coverage upto ₹ 1.50 lakh per beneficiary family. As per Agreement executed between SNA and ICs, one fourth of the premium had to be paid at the commencement of every quarter in a year[91] and accordingly, SNA had to maintain adequate fund for advance payment of premium.

[89] *In May 2020, Finance Department, GoWB allowed Swasthya Sathi Samiti to raise CCL of upto ₹1,000 crore for Swasthya Sathi Scheme.*

[90] *'Opening balance of 2018-19' plus 'funds received during 2018-19 to 2022-23' viz. ₹50.66 crore + ₹6,027.93 crore + ₹472.10 crore + ₹721.95 crore*

[91] *Clause 64BV of IRDA Act 1938 stipulated that Insurance Premium is required to be paid in advance to cover the risk*

Review of records of auditee entities did not give rise to any data to indicate whether a proper assessment of budgetary requirement was made by the concerned authorities, especially with reference to the number of beneficiaries projected to be enrolled under the SS Scheme. During the period between 2018-19 and 2020-21, it was seen that against a budgetary allotment of ₹ 1,156.80 crore, the actual expenditure incurred was ₹ 1,795.70 crore, resulting in a budgetary deficit of ₹ 638.90 crore.

During, 2018-19 and 2019-20, this expenditure in excess of budgetary allotment was managed from unspent balances of other Schemes like RSBY, AB-*Swasthya Sathi etc.* In 2020-21, against a budget allotment of ₹ 688.39 crore, upto September 2020, ₹ 131 crore (19 *per cent*) was released by the H&FW Department to SNA and the remaining amount of ₹ 557.38 crore was released between December 2020 and March 2021.

It was noted that in order to meet the premium expenditure of the SS Scheme for the year 2020-21, the SNA took a CCL of ₹ 720.66 crore from West Bengal State Co-operative Bank (WBSCB) at an interest rate of 7.85 *per cent* per annum in September 2020. Similarly, in 2021-22, CCL of ₹ 1.29 crore was taken by the SNA[92]. Entire loan of ₹ 721.95 crore and interest of ₹ 10.85 crore was settled in a phased manner by 2021-22.

Thus, due to delay in release of budget allotment the SNA had to pay interest amounting to ₹ 10.85 crore which eventually placed an undue burden on the State exchequer.

In reply the SNA (July 2024) accepted that due to liquidity crisis CCL was taken with the approval of the Finance Department, GoWB which was duly refunded.

Recommendation:

1.7 Based on the number of beneficiaries projected to be covered under the Scheme, the SNA should prepare a realistic budget to ensure fund availability and efficient financial management.

1.9.3 Non-implementation of the Ayushman Bharat-PMJAY

A flagship health care programme namely *Ayushman Bharat* was launched by GoI in March 2017. Subsequently, the *Pradhan Mantri Jan Arogya Yojana* (PMJAY), a component under *Ayushman Bharat* was announced in February 2018. The objective of *Ayushman Bharat*-PMJAY (AB-PMJAY) was to provide coverage up to ₹ 5.00 lakh per family per year for secondary and tertiary care hospitalization to poor and vulnerable families. Beneficiaries for the scheme were proposed to be based on deprivation and occupational criteria as per SECC 2011 data[93]. Consequent to launch of the said scheme, the *Rashtriya Swasthya Bima Yojana* (RSBY), was also subsumed under AB-PMJAY. The National Health Authority[94] (NHA) was responsible for implementation of the AB-PMJAY Scheme.

In May 2018, GoI asked the State to sign a Memorandum of Understanding (MoU) for rolling out AB-PMJAY in West Bengal. However, as the State was already implementing the *Swasthya Sathi* Scheme with almost

[92] *From WBSCB at an interest rate of 7.85 per cent per annum*

[93] *Rural households which are included are ranked based on their status of seven deprivation criteria (D1 to D7). Urban households are categorised based on occupation categories.*

[94] *Successor of National Health Agency; National Health Authority (NHA) is the apex body responsible for implementing flagship public health insurance/ assurance scheme PMJAY*

identical features, the MoU was signed between NHA, GoI and H&FW Department (GoWB) in May 2018 for implementation of AB-PMJAY in alliance[95] with the existing *Swasthya Sathi* Scheme as *Ayushman Bharat-Swasthya Sathi* (AB-SS).

Initially, NHA identified 1.12 crore SECC beneficiaries in the State for implementation of AB-PMJAY and later the number of beneficiaries was revised to 1.24 crore. Central funds were to be provided for the Scheme as per fund sharing pattern of 60:40 between GoI and the State Government.

For implementation of the AB-SS Scheme, the SNA, opened an escrow[96] account with the State Bank of India and deposited ₹ 231.71 crore as State share in September 2018[97] besides Central share of ₹ 193.34[98] crore (50 *per cent* of the first tranche of Central share of grant-in-aid and administrative expenses) having been deposited in the same month[99]. The scheme was rolled out on 23 September 2018 but in January 2019, the State decided to withdraw from the AB-SS Scheme due to violation of clauses of the MoU.

In February 2019, NHA requested the State to refund the Central share amount along with interest after adjustment of claim amount paid/ payable for the treatment of AB-SS beneficiary families. Accordingly, the State Government refunded (March 2019) ₹ 162.06 crore to GoI after adjusting ₹ 31.28 crore against expenditure which had already been incurred.

It is pertinent to mention here that AB-PMJAY Scheme provided greater flexibility[100] to States including implementation mode, beneficiary population, health benefit package, hospital empanelment *etc.* Further, non-implementation of AB-SS also deprived the State's population especially migrant ones[101] of the benefit of accessing cashless health care services[102] in a network of hospitals across the country.

Thus, non-implementation of the AB-SS Scheme resulted in a financial loss to the State as the GoWB could not avail the central funding to supplement the State's expenditure on the *Swasthya Sathi* Scheme, besides denying residents of the State benefits under AB-SS.

In reply, the SNA stated (July 2024) that implementation of AB-SS in the State of West Bengal was yet to be finalised.

1.10 Fund Management

Audit while assessing the objective of utilization of the fund allotted under the Scheme, made the following observations:

[95] *The scheme will be implemented through the existing IT Platform and modalities of Swasthya Sathi, covering both the targeted beneficiary of PMJAY and the existing beneficiary of Swasthya Sathi Scheme.*
[96] *An escrow account is a third-party account where funds are kept before they are transferred to the ultimate party. It provides security against scams and frauds especially with high asset value and dispute-prone sectors.*
[97] *on 15 September 2018*
[98] *₹ 16.78 crore – 50 per cent of Administrative Expenditure and ₹ 176.56 crore – 50 per cent of first tranche of the Central Government's share*
[99] *on 17.09.2018*
[100] *State Government can determine its own modus operandi regarding implementation of the Scheme, and GoI would provide financial assistance corresponding to targeted beneficiaries as identified by the GoI.*
[101] *The beneficiaries/ Smart Card holders of SS Scheme (as a whole) who move/ go to other States in India are not able to avail the benefits outside West Bengal whereas AB-PMJAY has portability feature.*
[102] *Swasthya Scheme has empanelled Hospitals only in West Bengal, whereas AB- PMJAY has network hospitals across the Country.*

1.10.1 Excess adjustment of Central Fund

As discussed in ***paragraph 1.9.3***, an amount of ₹ 162.06 crore was refunded to GoI (March 2019) after adjusting ₹ 31.28 crore[103] against expenditure which had already been incurred under SS Scheme pertaining to beneficiaries who were eligible under AB-PMJAY, on pro-rata basis. Utilization Certificate for this amount of ₹ 31.28 crore was furnished (December 2019) by the SNA to the GoI.

In course of audit, it was noted that an expenditure of ₹ 0.81 crore (out of ₹ 31.28 crore) was inadmissible as the same was erroneously calculated, as detailed below:

The adjustment of Central share included ₹ 0.83 crore for administrative expenses against the claim management fees[104] of TPA. The claim management fees of TPA (in respect of AB-SS Scheme) were to be regulated in keeping with Article 5 of the Agreement executed between SNA and TPA. This clause stipulated that in case the number of persons treated under Assurance mode in a month fell below 0.5 *per cent* of the number of enrolled beneficiaries, TPA fees would be paid @ 0.5 *per cent* of the number enrolled beneficiaries. In case, it did not fall below the prescribed criteria, the admissible amount based on number of enrolled beneficiaries was to be paid.

Audit observed that ₹ 0.83 crore was adjusted as claim management fees (23 September 2018 to 09 January 2019), of the TPA[105] under Assurance mode for the AB-SS and RSBY Schemes. Detailed scrutiny in this regard revealed that calculation of this fee was made by SNA erroneously[106] based on targeted beneficiaries (1.12 crore families under AB-SS Scheme and 62.90 lakh under RSBY) to be included under AB-SS, instead of actual number of enrolled beneficiaries under the AB-SS Scheme.

Audit further observed that all these beneficiaries were not enrolled under AB-SS Scheme (as of January 2019). In addition, it was also noted that the enrolment count reflected in the SS portal under the AB-SS Scheme was only 19.83 lakh families at that time.

Thus, adjustment of Central share should have been restricted to ₹ 0.02 crore[107] instead of ₹ 0.83 crore, which resulted in adjustment of excess claim management fees of ₹ 0.81 crore.

In reply, the SNA admitted (July 2024) that claim management fees were calculated based on the entire targeted beneficiary families as treatment had to be extended to all these 1.75 crore families. Reply was not justified as clause 5 of the referred Agreement recognised beneficiaries actually enrolled instead of targeted beneficiaries.

Hence, ₹ 0.81 crore was irregularly adjusted against the Central share of AB-SS Scheme fund which should have been refunded to GoI by the SNA.

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[103] *₹ 30.45 crore towards grant-in-aid and ₹ 0.83 crore towards administrative expenses*

[104] *₹13.31 per claim*

[105] *MD India Health Insurance Pvt. Ltd.*

[106] *AB-SS Scheme: 0.5 per cent of 1.12 crore X TPA fees @₹13.31 per enrolment count X 3 months = ₹0.22 crore & RSBY: 62.90 lakh X TPA fees @ ₹0.93 per enrolment X 2 months = ₹1.17 crore, which totals to ₹1.39 crore. 60 per cent of ₹1.39 crore comes to ₹0.83 crore*

[107] *0.5 per cent of 19,82,764 X TPA fees @₹13.31 per enrolment count X 3 months i.e. October 2018 to December 2018 for the AB-SS Scheme. Considering the Central share of 60 per cent, the allowable adjustment was to be ₹0.02 crore.*

1.10.2 Irregularities relating to fund management in test-checked districts

Scrutiny of relevant records in six-test checked districts showed that there were irregularities/ deficiencies in fund management/ utilization which were inconsistent with the sanctioned purposes/ terms of release of funds by the SNA.

1.10.2.1 Submission of UCs by district authorities without obtaining the same from sub-allottees

The SNA while placing funds in favour of district authorities (DNO-SSs), for incurring various Scheme related expenditure mandated that Utilization Certificates (UCs) were to be submitted by DNOs against funds so released.

Review of records in test-checked districts revealed that in most cases, these funds were subsequently sub-allotted by DNOs to other field functionaries for expenditure/ utilization. During the FYs 2018-19 to 2022-23, district authorities (DNO-SS) in test-checked districts, sub-allotted funds amounting to ₹ 15.43 crore. However, UCs for these were communicated to the SNA without DNOs obtaining the same from sub-allottees, who were responsible for actual expenditure. Such a practice adopted by the district authorities for submission of UCs, entailed the risk of misutilisation of allotted funds.

While accepting the audit observation, the SNA stated (July 2024) that the district authorities had been instructed to submit UCs along with the UCs of all the peripheral units.

Recommendation:

1.8 The State Government may consider introducing appropriate mechanism to ensure that funds are utilised only for sanctioned purposes and UCs are submitted strictly as per the extant Financial Rules.

1.10.2.2 Night Shelters for patient attendants-irregularities therein

It was noticed that the SNA had released (October 2018) a fund of ₹ 10.23 crore to the DKMs of 23 districts for construction of Night Shelters for patient attendants including arrangement for drinking water, seating arrangements *etc.,* @ ₹ 5.00 lakh for each District Hospital and @ ₹ 2.00 lakh for each Public Health Centre (PHC)/ Rural Hospital (RH). The SNA stipulated that funds were to be utilised strictly for the purpose for which they had been allocated. Further, Finance Department, GoWB, instructed (June 2021) that funds lying unutilised in Bank Accounts should be refunded to the State exchequer.

Although construction of Nights Shelters *etc.*, did not come under the purview of the *Swasthya Sathi* Scheme, funds for setting up the shelters were released by the SNA, for reasons not on record. However, scrutiny in test-checked districts revealed that these funds were either not utilised for the sanctioned purpose or were unutilized & not refunded to the SNA as discussed in subsequent paragraphs.

(i) The DNO-SS, Murshidabad had received (October 2018) ₹ 67.00 lakh from the SNA for construction of Night Shelters but the shelters were neither constructed nor were funds allotted for the purpose refunded to the SNA. In reply, the DNO, Murshidabad had admitted this fact.

(ii) ₹ 24.00 lakh was allotted (October 2018) in favour of the DNO-SS, Jalpaiguri for construction of Night Shelters in nine HCPs[108]. The DNO-SS further sub-allotted (January 2019) this amount in favour of CMOH Jalpaiguri. The CMOH incurred an expenditure of ₹ 9.88 lakh for the said purpose leaving an unspent balance of ₹ 14.12 lakh, parked in bank accounts (as of February 2024). From the available records however, the status of construction of night shelters remained unclear.

(iii) In October 2018, ₹ 83 lakh was allotted to DNO-SS, North 24 Parganas district for construction of Night Shelters. The fund was subsequently sub-allotted to CMOsH, North 24 Parganas (₹ 36 lakh) and Basirhat (₹ 47 lakh) in December 2019. Scrutiny revealed that the entire fund was lying unutilised with the two CMOsH (as of August 2023).

The SNA in reply stated (July 2024) that as per clause 3.2 (xvi) of the Memorandum of Association (MOA) of SS *Samiti*, it was felt that relatives of SS beneficiaries admitted in public hospitals who had to stay at night on the premises needed to be managed properly so that they could be located and identified by the hospital administration.

The reply was not tenable as this was incidental to the attainment of the main objective of the SS Scheme. Further, most of the night shelters were yet to be constructed, despite passage of around five years and funds were lying unutilized in bank accounts, in violation of extant norms.

1.10.2.3 Retention of unspent funds by the district authorities

(i) Out of funds amounting to ₹ 20 lakh received between October 2018 to February 2019 from the SNA by the DNO-SS, Birbhum for different purposes (such as organising Health Camps, for conveying message from the Chief Minister to individual beneficiaries under SS Scheme), the district authority incurred an expenditure of ₹ 1.37 lakh for the aforementioned purposes (between June 2020 to March 2022). However, the remaining balance of ₹ 18.63 lakh was lying idle in the bank account of DNO-SS, Birbhum as of August 2023 and had not been refunded to the SNA.

(ii) On the same lines, an amount of ₹ 26.00 lakh was released (February 2019) to the DNO-SS, North 24 Parganas for conveying a message from the Chief Minister to Scheme beneficiaries. Out of this, an amount of ₹ 17.38 lakh was sub-allotted to various blocks (during August 2019 & August 2023) and the balance amount of ₹ 8.62 lakh[109] was lying idle in the bank account of the DNO-SS, North 24 Parganas (as of August 2023) and had not been refunded to the SNA.

While accepting the audit observation, SNA stated (July 2024) that the unutilised fund would be taken back from districts/ adjusted with subsequent allotments.

[108] *Two District Hospitals and Seven RH/ PHCs.*
[109] *₹ 26,00,000.00 – (₹ 11,47,030.00 + ₹ 5,90,890.00)*

1.10.2.4 Unauthorised payment of remuneration to Rogi Sahayaks (₹ 11.10 lakh)

In order to facilitate a help desk at Government empanelled HCPs, SNA of RSBY had decided [110] to engage five *Rogi Sahayaks* at Super Speciality Hospitals and two *Rogi Sahayaks* at Block Primary Health Centres and Government Hospitals at a remuneration of ₹ 6,500 per month from RSBY funds. Post the decision to include contractual workers of RSBY into the fold of SS *Samiti*, the remuneration of these contractual employees, was being borne under the SS Scheme.

Scrutiny of records revealed that although the Uttar Mechogram BPHC RK *Samiti*, Purba Medinipur, was not empanelled as an HCP under the SS Scheme, remuneration of ₹ 11.10 lakh for two *Rogi Sahayaks* was paid, for the period April 2018 to December 2023, to that BPHC from SS funds.

In reply, SNA while accepting the audit observation regarding payment of remuneration to *Rogi Sahayaks* stated (July 2024) that Uttar Mechogram BPHC had been instructed to provide *Swasthya Sathi* benefit to concerned patients/ beneficiaries immediately.

Thus, non-adherence of Government order resulted in unauthorized expenditure of ₹ 11.10 lakh.

1.11 Internal control mechanism, monitoring and supervision

As the aim of the SS Scheme was to deliver quality cashless health care services to a beneficiary base as large as 8.62 crore and implement the Scheme with the involvement of multiple stakeholders, it was imperative to develop an effective and efficient monitoring and internal control mechanism.

The SS *Samiti* had formed (February 2021) a State Surveillance Team[111] (SST) and DSTs for verification of infrastructure claims of private HCPs to ensure that norms and standards were adhered to. Besides this, the Scheme also provided for beneficiary surveys and post discharge medical audits *etc*.

While assessing the adequacy of the internal control mechanism (ICM), monitoring and supervision system of the Scheme, the following observations were noted.

1.11.1 Conduct of Beneficiary audit

In terms of clause 23.2 (read with clause 24.2) of the Agreement signed between the SNA and IC, the insurer would conduct beneficiary audits for the SS Scheme. The Insurer would visit discharged beneficiaries[112] on a random basis, and obtain feedback on the HCP, verify the admission process and treatment received at the empanelled HCPs. The format for conducting the audit and the composition of the team was to be shared by the Insurer with the SNA at the time of signing of Agreement. A third-party verification of the Insurer's report on the beneficiary audit was to be conducted by the SNA either through its own Medical Audit team, or through any other agency, as decided by the State Government.

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[110] *February 2015 and November 2016*

[111] *Director of Health Services-WB (Chairman); Director of Medical Education-WB (Co-Chairman) & Technical Officer-SS (Member-Convenor)*

[112] *within 30 days of discharge of the patient from the hospitals*

In selected six districts, no information/ documentation was available to indicate/ corroborate whether such beneficiary audits had been conducted by the ICs during the period covered under audit (2018-19 to 2022-23). Further, under the Assurance mode of the SS Scheme (introduced in July 2022), it was essential that a suitable clause be inserted in the agreements with TPAs to ensure that beneficiary audits were conducted by them. However, no such clause was included in the test-checked Agreements and hence no such beneficiary Audit was conducted by the TPAs.

Thus, due to non-conduct of such audits by ICs/ TPAs, the performance of HCPs from the perspective of the beneficiaries was not assessed during the period of audit.

In reply, SNA accepted (July 2024) the audit observation and stated that district authorities have been directed to maintain proper documentation in this regard.

1.11.2 Inadequate Post Discharge Medical Audit

The SNA constituted (February 2023) a Medical Audit Team comprising Medical Officers, at the level of the SNA to conduct the Post Discharge Medical Audits (PDMAs). This Medical Audit Team functioned under the ambit of SST. The Medical Audit Team was instructed (February 2023) to verify at least 30 *per cent* of the discharged claims and to identify and eliminate any claims which were not as per the norms of the Scheme. Any claim found to be deficient was to be put under the "trigger", which was to be responded to by the concerned HCP within seven days. If any of those claims were proven as malafide by the medical audit team, amount already paid to the HCP was to be recovered by the SNA.

Scrutiny of records of SNA revealed that PDMA was never conducted during the FYs 2018-19 to 2022-23 (up to January 2023) for reasons not on record. However, SST through its Medical Audit Team conducted 21,100 (eight *per cent*) PDMAs against 2,74,258[113] PDMAs to be conducted during the period February 2023 to March 2023. Out of these, triggers were issued against 1,166 (six *per cent*) claims and action, including penalty, was imposed against 74 HCPs. This also highlighted that in these cases, the TPAs had not properly checked the claims of the HCPs.

Records made available to audit revealed that against a penalty amount of ₹ 11.78 crore imposed by the SNA on the HCPs for irregular claims, only ₹ 8.36 crore was recovered (November 2023). This indicated that the TPA did not exercise due diligence while checking the claims.

In reply, the SNA stated (July 2024) that during the audit period, no PDMA was conducted and the same was started from April 2023 onwards.

Recommendation:

1.9 The State Nodal Agency may ensure that PDMAs are regularly conducted by the Medical Audit team and based on results of this, required action is taken by the concerned authorities.

[113] *Provided by SNA*

1.11.3 Lack of proper monitoring

As stated in ***paragraph 1.3***, one officer of the rank of Additional District Magistrate was nominated by the District Magistrate to act as District Key Manager (DKM). The DKM was responsible for implementation of the Scheme including its supervision and monitoring. The DKM was *inter alia* required to:

- undertake field visits and assess performance with regard to the enrolment status through periodic review meetings;
- co-ordinate with the district administration to organize health camps for building awareness about "*Swasthya Sathi*" Scheme in the districts;
- visit empanelled hospitals/ nursing homes to check beneficiary facilitation and record observations;
- ensure training of Field Key Officers (FKOs), IT staff and other support staff at the district level, besides ensuring that hospital training workshops are conducted by the IC; and
- ensure empanelment of optimum number of eligible hospitals, both public and private as well as carry out medical audit/ regular inspection of HCPs for proper care and counselling of beneficiaries at the HCPs.

In this context it was noted that monitoring and supervision in the test-checked districts was very inadequate and there was lack of proper documentation related to any monitoring/ field visits, review meetings, internal audit *etc*., of the SS Scheme undertaken by the district authority (DKM) as detailed in ***Appendix 1.7***.

In reply, the SNA accepted (July 2024) the audit observation and stated that the district authorities were directed to maintain proper documentation pertaining to PDMA/ Medical Audit, beneficiary audit, Grievance redressal *etc.*

1.11.4 Inadequate human resources

The SS *Samiti* was set up in November 2016 and at this time, eight contractual posts were used for the functioning of the *Samiti* at the State level and two posts were used for each district level office. All the ten contractual posts (eight State level & two District level posts), were engaged for the RSBY Scheme and their services were also utilised in implementing the SS Scheme.

Further, for implementation of the SS Scheme in Assurance mode, the *Samiti*, in its 2nd General Body meeting (July 2018), decided to create 245 additional contractual posts[114] with the approval of the Finance Department, GoWB. As per the details of this proposal, 61 posts were to be created at the *Samiti*/ State level while 115 and 69 posts were identified for creation at the sub-division and district level respectively. However, this proposal was turned down by the Finance Department in September 2019 due to lack of bylaws/ regulations in

[114] *i) Specialist Medical Officer: four, ii) Medical Officer (MBBS): 23, iii) Assistant Finance Officer: four, iv)Accountants: eight, v) Call Centre Assistants: 23, vi) Data Entry Operator (for District Kiosk): 23, vii) Data Entry Operator (for Permanent Enrolment Centre): 115, viii) Deputy IT Manager: two, ix) Assistant Data Analysis, Monitoring and Education Officer: three x) Assistant Hospital Empanelment & Claim Officer: two, xi) Nodal Co-ordinator: 12, xii) Assistant IEC Officer: two, xiii) Data Analytical Officer: 23 and xiv) Consultant (Legal): one*

the SS *Samiti* for undertaking this kind of recruitment of personnel. Finally, "The *Swasthya Sathi Samiti* Officers and Other Employees Service bylaws and Rules" were prepared by the *Samiti* in June 2020 and sent to Finance Department for approval in February 2021. However, the "The *Swasthya Sathi Samiti* Officers and Other Employees Service bylaws and Rules" were not approved by the Finance Department.

A separate proposal for engagement of 35 personnel for strengthening the SNA, was approved by the Finance Department in January 2023. Against this, eight employees were engaged (at SNA level) through outsourcing as of October 2023 by the SS *Samiti*. Consequently, the District Offices (DNOs-SS) continued to function with a skeleton staff (only two persons in each district).

It is pertinent to mention here that staff structure at the district level {two posts for each district *i.e.* one District Coordinator (DC) (Hospital) and one DC (IT)}, was initially approved on the lines of the RSBY Scheme. However, this needs to be viewed against the fact that the ambit of the SS Scheme was significantly wider than that of RSBY, especially after universalization. As of May 2023, the number of beneficiaries in the SS Scheme was 8.62 crore whereas only 62.90 lakh beneficiaries were covered under RSBY. Besides this, the number of district wise beneficiaries (ranging between 1.99 lakh in Kalimpong and 82.51 lakh in North 24 Parganas) as well as the number of district-wise empanelled HCPs (ranging between 7[115] and 283[116]) were also widely diverse, whereas the staff structure of each district under the SS Scheme remained the same. As the workload of DC (IT) and DC (Hospital) was to be proportionate to the number of beneficiaries and number of empanelled HCPs, the same staff structure, without giving cognisance to the size of beneficiaries and HCPs for every district, lacked justification.

Further, it was also observed that the Joint Director, *Swasthya Sathi,* H&FW Department, had proposed (September 2021) engaging at least one accounting personnel to cope up with accounting and financial workload at the district level. The Joint Secretary, H&FW Department had also recommended (September 2021) engagement of two Data Managers, at the District level to cope with the increased workload since the universalization of the SS Scheme. Notwithstanding this, no effective steps were taken by the H&FW Department for engagement of such staff.

In reply (July 2024), the SNA while accepting the audit observation, stated that the engagement process for required human resources has been initiated and e-tender has been floated for this. The SNA further stated that in the meantime, additional manpower has been arranged through outsourcing and deputation at the SNA level. However, the reply remained silent regarding requirement/ engagement of human resources in districts, which crucially impacts the implementation of the Scheme at the ground level.

Recommendation:

1.10 The State Government may expedite creation of required posts and subsequent process of recruitment/ posting of personnel at the district level for ensuring smooth implementation of the Scheme.

[115] *Kalimpong*
[116] *North 24 Parganas*

1.11.5 Grievance Redressal System

As per extant practice grievances[117] of beneficiaries under the Scheme could be registered offline through written applications/ Whats App/ Call Centre[118] *etc.* Grievances could also be registered through the web portal – "How Can I Help You[119]". Grievances received by Call Centres were registered on the SNA server.

In this regard audit observed the following:

- Grievances lodged were neither auto populated in the SNA portal, nor were these acknowledged by the SNA. No mechanism to track the redressal of grievances was seen available in the SNA portal.
- No timeline and escalation mechanism had been prescribed for the settlement of grievances.
- Auto SMS alerts were also not sent to the complainant either at the time of submission of grievance or at the time of its disposal.
- Review of data relating to grievances/ complaints lodged revealed that as of March 2023, 3.68 lakh grievances had been lodged by discharged patients through the SS Call Centre. In addition, 1.84 lakh complaints were lodged by beneficiaries with SS *Samiti*/ SNA through other modes[120] during the period 2018-19 to 2022-23. However, due to non-furnishing of records, the status of follow up action taken by the SNA (if any), could not be ascertained. In response to an audit query, the State authority stated that all complaints were disposed of but no records (online/ offline) in support of this claim were made available to audit.
- In July 2022 the SNA had decided to set up Call Centres at the district level also, in addition to the existing Call Centre at the State level. Accordingly, in September 2022 the SNA released ₹ 33.00 lakh to 22 districts[121] (@₹ 1.50 lakh per district). However, it was seen during test-check that such Call Centres were not set up in any of the six sampled districts (February 2024).

In reply the SNA stated (July 2024) that action is being taken based on the audit observations.

The H&FW Department in reply (December 2024), stated that audit observations in this regard have been considered very seriously and measures like initiation of PDMA; issuing of instructions to district authorities to conduct regular physical visits; upgradation of software with modern technologies; issuance of various advisories to restrict cases susceptible to misuse *etc.,* have been adopted.

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[117] *Denial of treatment at the time of admission, demanding extra money at the time of admission, medicines not provided at the time of discharge, not returning of SS Card at the time of discharge etc.*
[118] *Toll free number (Swasthya Sathi): 18003455384*
[119] *https://helpline.swasthyasathi.gov.in and Mobile App 'Swasthya Sathi'*
[120] *'May I Help You' (4,006), Mobile App (2,453), Online Portal/ Whats App (21,433), Call Centre (1,55,937).*
[121] *except Kolkata district*