

## Chapter-4

### Availability of Drugs, Medicines, Equipment and Other Consumables

Availability of drugs, medicines, equipment and other consumables constitute vital components for delivering comprehensive health services. The Government had set up Haryana Medical Services Corporation Limited (HMSCL) in April 2014 as a centralised agency with the objective to procure and manage drugs, medicines, equipment & instruments at fair and reasonable prices for various Government medical institutions. HMSCL was to procure all essential drugs, medicines and equipment & instruments, hospital supplies, reagents & spares and execute AMC/CMC<sup>1</sup> through open competitive bidding through e-procurement portal following the provisions of Haryana Drug Purchase Policy issued by Government of Haryana in May 2018.

HMSCL operates “Online Drug Inventory and Supply Chain Management System” (ODISCM). Field units make online demand for medicines through this system. HMSCL procures medicines on the basis of demand. The HMSCL provided data of ODISCM to Audit in November 2021 for the period 2016-2022 (upto November 2021).

Further, the Health Department of Haryana launched Mukhya Mantri Mufat Ilaz Yojana (MMIY) in January 2014 to provide free treatment to all citizens of the State. The vision of the scheme was to provide affordable, accessible and equitable quality health services by covering major components of healthcare and to reduce out-of-pocket expenditure. Accordingly, Government of Haryana issued guidelines (January 2017) for procurement of medicines and equipment under MMIY for health institutions.

Audit findings on various components of drug management- availability of drugs, their storage, dispensation to patients and procurement in the health institutions are discussed in the succeeding paragraphs:

#### 4.1 Availability of essential and critical drugs, medicines & consumables

As per IPHS 2012 norms, 493 drugs, lab reagents, consumables and disposables under 20 different categories should be available in a District hospital. Availability of drugs, lab reagents, consumables and disposables under 20 categories in the test-checked DHs and MCHs is given in **Table 4.1**.

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<sup>1</sup> AMC- Annual Maintenance Contract, CMC- Comprehensive Maintenance Contract.

**Table 4.1: Availability of Drugs, Lab Reagents, Consumables and Disposables in test-checked MCHs/DHs**

| Sr. No. | Categories   | Number required as per IPHS 2012 | Availability in test-checked MCHs/DHs |                |            |             |             |
|---------|--|----------------------------------|---------------------------------------|----------------|------------|-------------|-------------|
|         |  |                                  | DH, Panipat                           | DH, Mandikhera | DH, Hisar  | MCH, Nalhar | MCH, Agroha |
| 1       | Analgesic/Antipyretics/Anti Inflammatory           | 11                               | 8                                     | 5              | 6          | 4           | 11          |
| 2       | Antibodies & Chemotherapeutics                     | 76                               | 18                                    | 25             | 49         | 3           | 31          |
| 3       | Anti-Diarrhoeal                                    | 6                                | 2                                     | 3              | 2          | 1           | 3           |
| 4       | Dressing Material/Antiseptic Ointment Lotion       | 24                               | 12                                    | 14             | 24         | 5           | 15          |
| 5       | Infusion Fluids                                    | 14                               | 11                                    | 11             | 14         | 5           | 14          |
| 6       | Eye and ENT  | 25                               | 6                                     | 7              | 11         | 3           | 6           |
| 7       | Antihistamines/Anti-Allergic                       | 12                               | 7                                     | 8              | 6          | 4           | 8           |
| 8       | Drugs acting on Digestive System                   | 20                               | 9                                     | 9              | 19         | 6           | 6           |
| 9       | Drugs related to Haemopoietic system               | 4                                | 1                                     | 3              | 4          | 1           | 4           |
| 10      | Drugs acting on Cardiac vascular system            | 26                               | 15                                    | 12             | 21         | 10          | 15          |
| 11      | Drugs acting on Central/ peripheral Nervous system | 40                               | 21                                    | 19             | 23         | 12          | 22          |
| 12      | Drugs acting on Respiratory System                 | 16                               | 9                                     | 6              | 11         | 5           | 13          |
| 13      | Skin Ointment/Lotion etc.                          | 23                               | 5                                     | 3              | 14         | 3           | 6           |
| 14      | Drugs acting on Uro-Genital system                 | 5                                | 5                                     | 5              | 4          | 3           | 5           |
| 15      | Drugs used in obstetrics and Gynaecology           | 35                               | 8                                     | 6              | 35         | 11          | 17          |
| 16      | Hormonal Preparation                               | 14                               | 2                                     | 6              | 10         | 1           | 6           |
| 17      | Vitamins   | 24                               | 7                                     | 11             | 13         | 8           | 15          |
| 18      | Other Drugs and Material & Misc. Items             | 83                               | 37                                    | 35             | 69         | 16          | 45          |
| 19      | Emergency lifesaving drugs for SNCU                | 12                               | 9                                     | 12             | 12         | 4           | 11          |
| 20      | Other Essential Medicines & Supplies for SNCU      | 23                               | 19                                    | 16             | 23         | 23          | 15          |
|         | <b>Total</b>                                       | <b>493</b>                       | <b>211</b>                            | <b>216</b>     | <b>370</b> | <b>128</b>  | <b>268</b>  |

Source: Information furnished by test-checked Health Institutions during April 2022 to June 2022

Colour Code: Red denotes most shortages, green denotes least shortages and yellow denotes moderate shortages

The State Government has formulated a list of 1,027 drugs<sup>2</sup> essentially required at Government medical establishments. The State norms were much higher than IPHS 2012 norms but it was noticed that shortages were significant even when compared with the IPHS norms.

It is evident from the above table that the availability of drugs, consumables and disposables was poor in MCH, Nalhar (26 per cent) as compared to other test-checked MCH and DHs. Reasons for shortage were not furnished to audit. Further, the availability in DH Panipat and DH Mandikhera was also below 50 per cent.

It has been mentioned in the IPHS norms that the list of the drugs given as norms is not exhaustive and exclusive but has been provided for delivery of minimum assured services. Non-availability of critical essential drugs such as infusion fluids, drugs acting on cardiac vascular system, central/ peripheral nervous system and respiratory system, emergency lifesaving drugs for SNCU, etc. was indicative of non-availability of minimum assured medical services in the MCH, Nalhar.

<sup>2</sup> Government Hospitals – All the 1,027 drugs, CHCs – 1,023 drugs, PHCs-461 drugs and SCs-144 drugs

As per IPHS 2012 norms, a total number of 430 drugs, consumables and disposables under 19 categories should be available in a SDCH. Availability of drugs, consumables and disposables in the test-checked SDCHs is given in **Table 4.2**.

**Table 4.2: Availability of Drugs, Lab Reagents, Consumables and Disposables in test-checked SDCHs**

| Sr. No.      | Category  | Number required as per IPHS 2012 | Availability in test-checked SDCHs |            |            |
|--------------|---|----------------------------------|------------------------------------|------------|------------|
|              |   |                                  | Samalkha                           | Adampur    | Narnaund   |
| 1            | Analgesic/Antipyretics/Anti Inflammatory          | 8                                | 5                                  | 5          | 6          |
| 2            | Antibodies & Chemotherapeutics                    | 71                               | 12                                 | 42         | 14         |
| 3            | Anti Diarrhoeal                                   | 5                                | 2                                  | 3          | 3          |
| 4            | Dressing Material/Antiseptic Ointment Lotion      | 24                               | 9                                  | 17         | 11         |
| 5            | Infusion Fluids                                   | 14                               | 10                                 | 11         | 8          |
| 6            | Eye and ENT                                       | 23                               | 3                                  | 5          | 5          |
| 7            | Antihistamines/Anti- Allergic                     | 10                               | 6                                  | 8          | 7          |
| 8            | Drugs acting on Digestive System                  | 20                               | 9                                  | 8          | 9          |
| 9            | Drugs related to Haemopoietic system              | 4                                | 1                                  | 2          | 4          |
| 10           | Drugs acting on Cardiac vascular system           | 26                               | 10                                 | 20         | 11         |
| 11           | Drugs acting on Central/peripheral Nervous system | 40                               | 13                                 | 22         | 10         |
| 12           | Drugs acting on Respiratory System                | 15                               | 8                                  | 8          | 6          |
| 13           | Skin Ointment/Lotion etc                          | 18                               | 3                                  | 7          | 3          |
| 14           | Drugs acting on Uro-Genital system                | 5                                | 1                                  | 5          | 1          |
| 15           | Drugs acting on Uterus and female genital tracts  | 14                               | 3                                  | 6          | 4          |
| 16           | Hormonal Preparation                              | 14                               | 4                                  | 5          | 2          |
| 17           | Vitamins  | 21                               | 6                                  | 11         | 7          |
| 18           | Other Drugs and Material & Misc Items             | 73                               | 14                                 | 38         | 32         |
| 19           | Drug Kit for Sick Newborn & Child Care            | 25                               | 12                                 | 20         | 14         |
| <b>Total</b> |   | <b>430</b>                       | <b>131</b>                         | <b>243</b> | <b>157</b> |

**Source: Information furnished by test-checked SDCHs during April 2022 to June 2022**  
**Red denotes most shortages, green denotes least shortages and yellow denotes moderate shortages**

It is evident from the above table that the availability of drugs, consumables and disposables is poor in SDCH Samalkha (30 per cent) as compared to availability in SDCHs Adampur and Narnaund. Further, the availability in SDCH Samalkha and SDCH Narnaund is below 50 per cent.

The reasons for lower availability of essential drugs at medical institutions include delayed supply/non-supply of drugs by HMSCL to health institutions as discussed in **paragraph 4.5.5 (iii)** alongwith under-utilisation of budget.

The budget provision *vis a vis* expenditure for drugs/medicines during the period 2016-17 to 2021-22 is given in **Table 4.3**.

**Table 4.3: Budget provision *vis a vis* expenditure for drugs/medicines during the period 2016-17 to 2021-22**

| (₹ in crore)                   |                  |                      |                            |                                 |
|--------------------------------|------------------|----------------------|----------------------------|---------------------------------|
| Name of Department/<br>Mission | Budget Provision | Expenditure incurred | Savings (+)/<br>excess (-) | Savings/Excess<br>(in per cent) |
| <b>DGHS</b>                    | 550.20           | 551.19               | (-) 0.99                   | (-)0.18                         |
| <b>DMER</b>                    | 338.33           | 315.62               | (+) 22.71                  | 6.71                            |
| <b>National Health Mission</b> | 168.97           | 90.86                | (+) 78.11                  | 46.23                           |

**Source: Information furnished by DGHS, DMER & NHM.**

As evident from the above table, the budget was underutilised by 6.71 *per cent* in DMER and 46.23 *per cent* in NHM during the period 2016-22. Had the available budget been utilised properly, the above stated shortages in drugs and consumables could have been avoided to some extent.

During the exit conference (January 2023), the ACS to Government of Haryana, Health and Family Welfare Department stated that the matter would be looked into and necessary steps would be taken for making available the medicines/drugs at all health institutions.

## 4.2 Availability of AYUSH essential medicines

Ministry of AYUSH, GoI had prescribed 277 essential drugs for Ayurveda, Unani, Siddha and Homeopathy in the National List of Essential AYUSH medicines in March 2013. The list was revised in January 2022 by reducing the number of essential drugs to 201. Audit compared availability of AYUSH medicines with revised list of essential AYUSH medicines in the test-checked districts during the period 2016-21. The position is shown in **Table 4.4** alongside.

**Table 4.4: Availability of AYUSH Essential Medicines in test-checked Districts**

| Name of District | Number of Ayurvedic Drugs in EDL | Average Availability of Ayurvedic Drugs during 2016-21 |
|------------------|----------------------------------|--|
| Panipat          | 201                              | 55   |
| Nuh              |                                  | 100  |
| Hisar            |                                  | 64   |

**Source:** Information furnished by test-checked Districts during April 2022 to June 2022. **Colour code:** Red denotes most shortages, green denotes least shortages and yellow denotes moderate shortages

As seen from the table, the availability of Ayurvedic medicines was ranging from 27 *per cent* in Panipat district to 50 *per cent* in Nuh district. It was also seen that against the budget provision of 27.59 crore<sup>3</sup> (for drugs/medicines, equipment, others) for the period 2016-17 to 2020-21, an expenditure of 16.47 crore was incurred thereby leaving a saving of 11.12 crore (40 *per cent*). Thus, despite availability of sufficient funds, the Department did not provide essential medicines to the patients, due to which patients would have had to buy essential drugs from the market increasing their out-of-pocket expenditure.

The Director General, AYUSH, Haryana replied (January 2023) that AYUSH medicines had been procured for AYUSH institutions as per demand received from District Ayurvedic Officers. The reply is not tenable as all EDs prescribed by the Ministry of AYUSH should have been made available in health institutions.

<sup>3</sup> Provision for procurement of Medicines and Equipment had not been made separately. Therefore, budget provision for Medicines and Equipment cannot be bifurcated.

### 4.3 Availability of critical drugs and medicines for COVID-19

As per instructions of DGHS, all warehouses should maintain stock of essential drugs/ medicines for six months and all health institutions should maintain EDL for three months. Further the State Government had approved (March 2022) a list of 51 COVID-19 medicines for health institutions. Availability status<sup>4</sup> of COVID-19 medicines in the test-checked health institutions is given in *Table 4.5*.

**Table 4.5: Availability of COVID 19 drugs in test-checked Health Institutions**

| Type of Health institutions | Name of Health Facility | No. of Medicines approved for Covid 19 | No. of Medicines available |
|-----------------------------|-------------------------|--|----------------------------|
| DHs                         | DH, Hisar               | 51                                     | 51                         |
|                             | DH, Mandikhera          |  | 36                         |
|                             | DH, Panipat             |  | 30                         |
| SDCHs                       | SDCH, Adampur           |  | 24                         |
|                             | SDCH, Narnaund          |  | 28                         |
|                             | SDCH, Samalkha          |  | 14                         |
| CHCs                        | CHC, Mangali            |  | 23                         |
|                             | CHC, Uklana             |  | 18                         |
|                             | CHC, Sorkhi             |  | 26                         |
|                             | CHC, Barwala            |  | 17                         |
|                             | CHC, Firojpur Jhirkha   |  | 15                         |
|                             | CHC, Punhana            |  | 13                         |
|                             | CHC, Bapoli             |  | 13                         |
|                             | CHC, Naultha            |  | 5                          |
|                             | CHC, Naraina            |  | 15                         |
|                             | CHC, Matlauda           |  | 18                         |
| PHCs                        | PHC, Agroha             |  | 15                         |
|                             | PHC, Dhansu             |  | 14                         |
|                             | PHC, Hasangarh          |  | 12                         |
|                             | PHC, Daulatpur          |  | 12                         |
|                             | PHC, Kaimiri            |  | 12                         |
|                             | PHC, Ladwa              |  | 12                         |
|                             | PHC, Talwandi Rukka     |  | 16                         |
|                             | PHC, Puthimangal Khan   |  | 26                         |
|                             | PHC, Puthisaimai        |  | 17                         |
|                             | PHC, Biwan              |  | 14                         |
|                             | PHC, Nagina             |  | 19                         |
|                             | PHC, Jamalgarh          |  | 20                         |
|                             | PHC, Singar             |  | 19                         |
|                             | PHC, Sewah              |  | 25                         |
|                             | PHC, Rairkalan          |  | 18                         |
|                             | PHC, Atta               |  | 18                         |
|                             | PHC, Pattikalyana       |  | 12                         |
| PHC, Israna                 | 23                      |  |                            |
| PHC, Mandi                  | 33                      |  |                            |

Source: Information furnished by DGHS- during April 2022 to June 2022. No norms were fixed for availability of medicines in respect of UHCs/UPHCs for Covid-19.

Colour code: Green colour depicts availability of satisfactory number of COVID medicines, yellow depicts moderate availability and red depicts availability of lesser number of medicines.

Analysis of data/ information supplied by the test-checked health institutions revealed that against the required number of 51 COVID-19 medicines, all the medicines were available only in DH, Hisar, between 50 and 75 per cent were available in two DHs, one SDCH and one CHC and two PHCs, between 25 per

<sup>4</sup> Panipat: as of April 2022 and Hisar & Nuh: as of June 2022.

cent and 50 per cent were found available in 22 test-checked health institutions and in six health institutions, the availability of medicines was found to be less than 25 per cent.

## 4.4 Equipment

### 4.4.1 Availability of Equipment in selected SDCHs/DHs

Under IPHS 2012 norms, equipment norms are worked out keeping in mind the assured service recommended for various grades of district hospitals. The equipment required are worked out under 25 different categories. During the course of audit, availability of 332 essential equipment listed under 15 different categories of IPHS 2012 norms for DHs and three categories<sup>5</sup> selected from NHM Assessor's Guidebook for Quality Assurance in District Hospitals which are required in DHs were checked in the test-checked DHs and the findings have been given in *Table 4.6*.

**Table 4.6: Availability of Equipment in test-checked DHs**

| Sr. No.      | Type   | Number of essential equipment as per IPHS 2012 | Availability in test-checked DHs |            |            |
|--------------|--|--|----------------------------------|------------|------------|
|              |  |  | Panipat                          | Hisar      | Nuh        |
| 1            | Imaging equipment  | 4  | 3                                | 4          | 3          |
| 2            | X-ray room accessories   | 7  | 5                                | 4          | 4          |
| 3            | Cardiopulmonary equipment  | 13   | 12                               | 10         | 9          |
| 4            | Labour ward, Neo Natal and Special New-born Care Unit (SNCU) Equipment | 27   | 17                               | 17         | 8          |
| 5            | Special New-born Care Unit equipment                                   | 11   | 7                                | 9          | 7          |
| 6            | Disinfection of Special New-born Care Unit equipment                   | 11   | 5                                | 7          | 5          |
| 7            | Immunisation Equipment   | 13   | 12                               | 11         | 12         |
| 8            | Ear Nose Throat Equipment  | 16   | 6                                | 15         | 8          |
| 9            | Eye Equipment  | 24   | 15                               | 17         | 17         |
| 10           | Dental Equipment   | 42   | 27                               | 10         | 24         |
| 11           | Laboratory Equipment   | 50   | 28                               | 38         | 37         |
| 12           | Endoscopy Equipment  | 3  | 1                                | 1          | 1          |
| 13           | Anaesthesia Equipment  | 15   | 9                                | 10         | 14         |
| 14           | Postmortem Equipment   | 8  | 4                                | 4          | 6          |
| 15           | Operation Theatre Equipment  | 21   | 8                                | 11         | 11         |
| 16           | ICU Equipment  | 34   | 23                               | 0*         | 0*         |
| 17           | Emergency services Equipment   | 14   | 14                               | 13         | 9          |
| 18           | IPD Equipment  | 19   | 18                               | 19         | 18         |
| <b>Total</b> |  | <b>332</b>                                     | <b>214</b>                       | <b>200</b> | <b>193</b> |

Source: Information furnished by test-checked DHs during April 2022 to June 2022

Red denotes most shortages; green denotes least shortages and yellow denotes moderate shortages.

\* ICU services were not available in DHs Hisar and Nuh.

It can be observed from the table that the overall availability of equipment was 64 per cent in DH Panipat, 60 per cent DH Hisar and 58 per cent in DH Nuh. Thus, the availability of equipment was poor in DH Nuh compared to DH Panipat and DH Hisar.

<sup>5</sup> (i) ICU equipment, (ii) Emergency services equipment and (iii) IPD equipment.

**SDCHs**

Similarly, IPHS 2012 norms recommend essential and desirable equipment for sub-divisional hospitals under different categories, out of which essential equipment under 14 different categories were scrutinised in the test-checked districts. The number of essential equipment available in test-checked three SDCHs in the selected categories is given in **Table 4.7**.

**Table 4.7: Availability of Equipment in test-checked SDCHs**

| Sr. No.      | Type                              | Essential for 100 bedded hospital | Availability in 100 bedded hospitals |           | Essential for 50 bedded hospital | Availability in Adampur (50 bedded hospital) |
|--------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------|----------------------------------|--|
|              |                                   |                                   | Samalkha                             | Narnaund  |                                  |  |
| 1            | Imaging Equipment                 | 5                                 | 1                                    | 1         | 3                                | 1  |
| 2            | X-ray room                        | 6                                 | 2                                    | 0         | 6                                | 5  |
| 3            | Cardiopulmonary Equipment         | 11                                | 4                                    | 8         | 8                                | 5  |
| 4            | Labour ward & Neo Natal Equipment | 20                                | 11                                   | 15        | 17                               | 17   |
| 5            | Immunisation Equipment            | 13                                | 13                                   | 13        | 13                               | 13   |
| 6            | ENT Equipment                     | 17                                | 0                                    | 0         | 17                               | 0  |
| 7            | Eye Equipment                     | 9                                 | 0                                    | 0         | 22                               | 0  |
| 8            | Dental Equipment                  | 4                                 | 4                                    | 4         | 4                                | 4  |
| 9            | Operation Theatre Equipment       | 17                                | 5                                    | 4         | 18                               | 7  |
| 10           | Laboratory Equipment              | 32                                | 11                                   | 9         | 27                               | 17   |
| 11           | Surgical Equipment                | 29                                | 3                                    | 13        | 27                               | 9  |
| 12           | Endoscopy Equipment               | 3                                 | 0                                    | 0         | 1                                | 0  |
| 13           | Anaesthesia Equipment             | 14                                | 2                                    | 0         | 15                               | 10   |
| 14           | Postmortem Equipment              | 10                                | 0                                    | 0         | 10                               | 0  |
| <b>Total</b> |                                   | <b>190</b>                        | <b>56</b>                            | <b>67</b> | <b>188</b>                       | <b>88</b>                                    |

Source: Information furnished by the test-checked SDCHs during April 2022 to June 2022. Red denotes most shortages; green denotes least shortages and yellow denotes moderate shortages.

Availability of equipment in the three test-checked SDCHs was 29 per cent in SDCH, Samalkha; 35 per cent in SDCH, Narnaund and 47 per cent in SDCH, Adampur.

The budget provision *vis-a-vis* expenditure incurred for procurement of equipment during the period 2016-22 is given in **Table 4.8**.

**Table 4.8: Budget provision vis-à-vis expenditure on procurement of equipment during 2016-22**

| Name of Department/<br>Mission | Budget Provision | Expenditure incurred | Savings | (₹ in crore)          |
|--------------------------------|------------------|----------------------|---------|-----------------------|
|                                |                  |                      |         | Savings (in per cent) |
| DGHS                           | 309.00           | 288.53               | 20.47   | 6.62                  |
| DMER <sup>6</sup>              | 171.36           | 143.98               | 27.38   | 15.98                 |
| National Health Mission        | 63.06            | 23.93                | 39.13   | 62.05                 |

Source: Information furnished by DGHS, DMER and NHM.

<sup>6</sup> Expenditure in respect of four Medical Colleges and PGIMER, Rohtak on procurement of equipment. In respect of Medical College, Agroha which receives Grant-in-Aid from the Government, GIA is not given Head wise. However, expenditure incurred on procurement of equipment by the college during the period 2016-22 was ₹ 11.08 crore.



As evident from the above table, there was underutilisation of budget by 6.62 per cent in DGHS, 15.98 per cent in DMER and 62.05 per cent in NHM for procurement of equipment during the period 2016-22. The above stated shortage of equipment, in the test-checked hospitals, could have been avoided by proper utilisation of budget.

Thus, availability of essential drugs and equipment varied vastly across test-checked health institutions as seen from Paras 4.1 to 4.4. For instance, out of 493 essential drugs as per IPHS 2012, MCH, Nalhar had only 128 essential drugs while DH Hisar had 370. Though HMSCL has created a Drugs Procurement Management Units portal, which captures supply of drugs to the warehouse and health institutions, it does not have the facility to check the status of availability of essential drugs at health institutions dynamically and consequently does not allow better monitoring and planning of drug availability.

#### 4.4.2 Availability of Ventilators

Details related to ventilators received under PM-CARES and distributed to various health institutions under COVID-19 in the State of Haryana are given in *Table 4.9*.

**Table 4.9: Ventilators received in the State under PM-CARES in Hospitals**

| Make of ventilator           | No. of ventilators received | No. of ventilators distributed |
|------------------------------|-----------------------------|--------------------------------|
| BEL                          | 71                          | 71                             |
| AgvA Healthcare              | 125                         | 125                            |
| Zyna Medtech Private Limited | 125                         | 125                            |
| <b>Total</b>                 | <b>321</b>                  | <b>321</b>                     |

Source: Information furnished by O/o DGHS, Panchkula in February 2022.

Further, details related to distribution/installation of ventilators in the test-checked districts are given in *Table 4.10*.

**Table 4.10: Availability of Ventilators in test-checked districts**

| Make of ventilator           | Hisar     |                  |                      |                 | Panipat   |                 |                      |                 | Nuh      |                     |                      |                 |
|------------------------------|-----------|------------------|----------------------|-----------------|-----------|-----------------|----------------------|-----------------|----------|---------------------|----------------------|-----------------|
|                              | No.       | Date of Receipt  | Date of Installation | Delay (in days) | No.       | Date of Receipt | Date of Installation | Delay (in days) | No.      | Date of Receipt     | Date of Installation | Delay (in days) |
| BEL                          | 11        | 10 February 2020 | 22 February 2020     | 12              | 2         | 05 August 2020  | 05 August 2021       | 365             | -        | --                  | --                   | --              |
| AgvA Healthcare              | 5         | 10 November 2021 | 23 December 2021     | 43              | 10        | 26 May 2021     | 31 July 2021         | 66              | -        | --                  | --                   | --              |
| Zyna Medtech Private Limited | 8         | 15 December 2021 |                      | 8               | 0         | --              | --                   | --              | 8        | 31 August 2021      | 11 October 2021 (5)  | 41              |
|                              |           |                  |                      |                 |           |                 |                      |                 |          | 14 October 2021 (3) | 44                   |                 |
| <b>Total</b>                 | <b>24</b> |                  |                      |                 | <b>12</b> |                 |                      |                 | <b>8</b> |                     |                      |                 |

Source: Information furnished by DGHS, Haryana in February 2022

It is evident from the above table that:

- In case of all the 44 ventilators received, there were delays in installation with an average delay of 49 days (ranging from 8 to 365 days). Further, it was noticed that in case of two ventilators, there was delay of upto one year in the installation.



- ii. Moreover, during the field visit (June 2022) in CHC, Punhana (Nuh), it was found that four ventilators were not in use due to shortage of staff.

#### 4.4.3 Availability of Oxygen Concentrators (OCs) under Covid 19 in Health Institutions

When any patient gets severely infected with COVID-19, the oxygen levels in the body can get low. To keep oxygen levels at the normal range, the patient needs to be given medical oxygen. Medical oxygen can be made available through various devices like oxygen concentrators, PSA<sup>7</sup> Oxygen Plants, Compressed Gas Cylinders, Liquid Medical Oxygen etc.

To fast-track the availability of Medical Oxygen in Health institutions, an IT-enabled Management Information System called OxyCare was developed by the Ministry of Health and Family Welfare, Government of India to track each oxygen device for providing better services to the patients. As of February 2022, Oxygen Concentrators (OCs) and PSA Plants are being monitored using this system. Secure QR Code has been placed on each Oxygen Device, which is read by mobile app to facilitate various tasks in a secure and fast manner. The OCs were allocated to the Health Institutions during the period 2021-22. Details of OCs received and distributed under COVID-19 are shown in **Table 4.11**.

**Table 4.11: Availability of OCs in the State of Haryana**

|  |       |
|--|-------|
| No. of OCs allocated to health institutions    | 1,645 |
| No. of OCs received in health institutions     | 1,632 |
| No. of OCs not received in health institutions | 13    |
| No. of OCs installed                           | 1,632 |
| Functional OCs                                 | 1,526 |
| Non-functional OCs                             | 106   |
| No. of OCs connected to Mobile App             | 730   |

Source: Information furnished by DGHS, Haryana in February 2022.

It is evident from the above table that:

- i. Out of total 1,645 allocated OCs, 1,632 OCs were delivered to various Health Institutions in State of Haryana.
- ii. Out of total 1,632 installed OCs, only 1,526 OCs were functional and out of these functional OCs, only 730 OCs were connected through mobile app.
- iii. As per status report dated 22 February 2022, 13 OCs have still not been received in the concerned Health Institutions.

#### 4.5 Procurement of drugs

Timely supply of drugs of good quality, which involves procurement as well as logistics management, is of critical importance in any health system. As mentioned earlier, the State Government established (January 2014) Haryana Medical Services Corporation Limited (HMSCL) for purchase of drugs,

<sup>7</sup> Pressure Swing Adsorption

consumables and equipment (including installation and maintenance) for various health institutions in the State. Data of “Online Drug Inventory & Supply Chain Management System (ODISCM)” was provided to Audit by HMSCL in November 2021 for the period 2016-2022 (upto November 2021) Scrutiny of the data revealed the following:

#### **4.5.1 Drugs valuing ₹ 1.52 crore purchased from blacklisted firm**

As per condition 1.5 of Drug purchase policy, 2018, bidders are not eligible to submit bids for the product/products for which the firm/company has been blacklisted/debarred due to quality failure of drugs/consumables by the Haryana Government/Corporation or by any other State/Central Government or Organisation during the period of blacklisting or debarring. Thus, medicines are not to be purchased from blacklisted firms. Paragraphs 10.3 and 10.4 of the Policy prescribes that furnishing of wrong information and false documents would make the firm ineligible and liable to be debarred/blacklisted from participation and in case of any document submitted by the bidder or his authorised representative was found to be forged, false or fabricated, the bid will be rejected and bid security deposit/performance security would be forfeited.

During audit, it was observed that a firm “Nestor Pharmaceuticals Limited” was blacklisted for supply of Folic Acid and Ferrous Sulphate tablet by Gujarat Medical Services Corporation Limited in February 2017 for three years. Scrutiny of records revealed that HMSCL had purchased Folic Acid and Ferrous Sulphate medicine worth ₹ 1.52 crore from the firm during the period May 2019 to December 2019. This firm was also blacklisted by HMSCL in September 2018 for three years for concealing information regarding its blacklisting by Gujarat Medical Services Corporation Limited.

On a similar issue which was pointed out in paragraph 3.6.2.5 of CAG’s Audit Report No. 3 of 2019, the Public Accounts Committee (PAC) recommended (March 2021) that the matter be got inquired into thoroughly to fix responsibility on the erring persons and action taken report be submitted to the Committee within a period of one month.

Audit observed that despite the blacklisting of the firm by HMSCL as well as PAC’s recommendation for inquiry and fixing responsibility in the similar matter, HMSCL purchased huge quantities of drugs from a blacklisted firm which was unjustified. Further, as per the Drug Purchase Policy, 2018, the bid was to be rejected and bid security deposit/performance security was to be forfeited in such cases. However, no such action was taken against the firm. This was not only a violation of the Drug Purchase Policy, 2018 but also tantamount to extension of undue benefit to the blacklisted firm.

#### **4.5.2 Drug/medicines suppliers not blacklisted despite multiple quality failures**

As per condition 8.2 of Durg purchase policy, 2018 (1) If any store/stores supplied against the Rate Contract (RC) were found to be Not of Standard Quality (NSQ) on the test analysis from Government or Government approved laboratory empaneled and / or inspection by competent authority, the firm would be liable to replace the entire quantity of failed batch irrespective of the fact that part or whole of the supplied stores may have been consumed. The Department/ HMSCL would have the right to deduct the amount from any of the past or present liability. (2) In case of more than two instances of quality failure the RC shall be cancelled, and the firm would be debarred for three years to participate in the tendering process.

During audit, it was noticed that during the period 2016-21, 15 suppliers<sup>8</sup> had supplied drugs/medicines which were tested as NSQ (Not of standard quality) on more than two instances and payment of ₹ 5.67 crore had also been made for these supplies during the period 2016-21. HMSCL had blacklisted four firms<sup>9</sup> but did not blacklist the other 11 firms which was in contravention to the drug purchase policy.

HMSCL replied (January 2023) that out of 15 firms, two firms were having Directorate of Supplies & Disposals (DS&D), Haryana rate contract and therefore, action would be taken by DS&D. One firm was having Central Public Sector Undertaking (CPSU) rate contract and therefore, status regarding NSQ of the drugs was communicated to the department concerned. Further, in respect of the remaining 12 firms, six firms were already blacklisted by HMSCL and the decision regarding blacklisting of another six firms would be taken only after closure report of Quality Control Division of HMSCL.

#### **4.5.3 Non-charging/recovering of interest on advances given to HMSCL of ₹ 3.98 crore**

As per U.O. No. 28/43/2010-1B&C of March 2011, Finance Department, Government of Haryana, all Boards/ Corporations/ Societies, to whom various departments provide funds for works/ purchases have to pay an interest @ six per cent per annum to such departments on half yearly basis, till the funds are actually utilised by them. A margin of two weeks between date of receipt of fund and date of utilisation can be allowed as interest free period. The

<sup>8</sup> (i) Bochem Healthcare Pvt. Ltd, (ii) Crystal Pharmaceuticals, (iii) Curetech Skincare, (iv) Delux Surgical, (v) Devparv Surgico, (vi) Healthium Medtech Private Limited, (vii) Hindustan Laboratories, (viii) Indian Drugs and Pharmaceuticals Limited, (ix) Kwaliti Pharmaceutical Pvt Ltd, (x) Medicamen Biotech Limited, (xi) Micron Pharmaceuticals, (xii) Nestor Pharmaceuticals Limited, (xiii) Reliable Pro detect Biomedical Pvt Ltd, (xiv) Syncom Healthcare Ltd., (xv) Zest Surgical Pvt. Limited.

<sup>9</sup> (i) Syncom Healthcare Ltd, (ii) Devparv Surgico, (iii) Hindustan Laboratories, (iv) Kwaliti Pharmaceutical Pvt Ltd.

Administrative Department is responsible for recovering the funds from such entities on half yearly basis and deposit the same in receipt head 0049- Interest Receipt.

Mission Director, National Health Mission, Panchkula had released an advance of ₹ 65.94 crore to HMSCL during 2016-17 to 2020-21 for procuring medicines/ medical equipment. However, HMSCL did not procure and supply these medicines and equipment within two weeks from the date of advance payment. Thus, as per the above guidelines, interest of ₹ 3.98 crore was to be charged from HMSCL for holding the funds for the period beyond two weeks of payment till the supply was made. However, NHM failed to recover the interest of ₹ 3.98 crore on the advances given to HMSCL.

#### **4.5.4 Non-refund of late fee charges to indenting departments of ₹ 9.30 crore**

Vide notification dated 31<sup>st</sup> October 2014 the Government of Haryana allowed HMSCL to charge 4 *per cent* processing fee from the indenting departments on all purchases/works/services made/executed on behalf of those departments.

As per the information supplied to audit, HMSCL has levied penalty worth ₹ 9.30 crore from the supplier firms for delayed supply of medicine/ equipment procured for indenting departments during the period 2016-21.

Thus, the amount received on account of penalty should be refunded to the indenting departments because the Corporation is only a mediator agency for procuring drugs/equipments for the indenting departments and is entitled to receive only 4 *per cent* processing charges.

HMSCL stated (January 2023) that the matter would be looked into and the amount would be deposited to the indenting department after calculating the amount due of the department concerned.

#### **4.5.5 Non-supply, short and delayed supply of drugs to the warehouses and to the health institutions by HMSCL**

As per conditions 3.1 and 3.2 of Durg purchase policy 2018, delivery must be completed at the destinations mentioned in the purchase order for the entire quantity before the end of 60 days from the date of issue of purchase order. This time limit is 75 days for the drug items that require sterility test.

##### **(i) Delay in Supply of Drugs/Consumables to Warehouses**

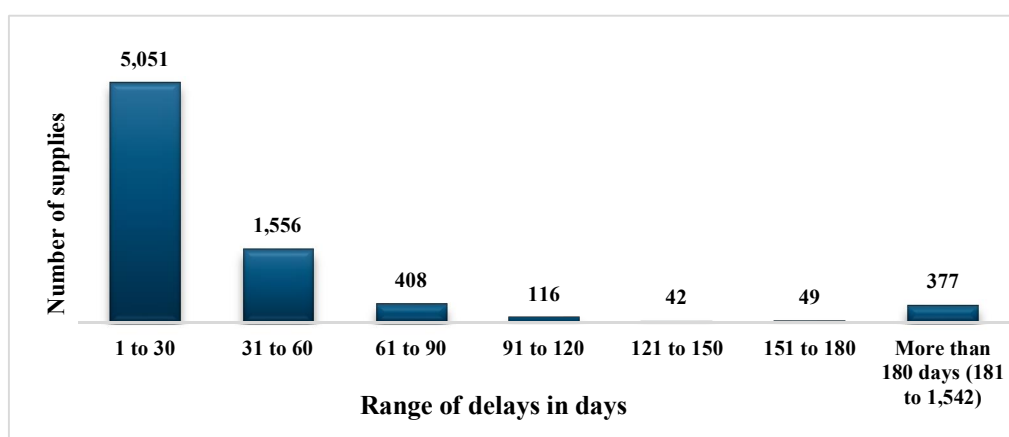
During the period 2016-21 (upto November 2021), HMSCL had issued 6,343 Purchase Orders (POs) to the suppliers for supply of drugs/medicines/ consumables at warehouses and health institutions. Out of these 6,343 POs, no supply was made in 1,079 POs by the suppliers. The number of POs issued and supply not made by suppliers against POs are given in **Table 4.12**.

**Table 4.12: Delay in Supply of Drugs/ Consumables by Firms to Warehouses**

| No. of POs issued by HMSCL | No. of POs against which supplies made by suppliers | No. of POs against which no supply received | Remarks   |
|----------------------------|---|---|---|
| 6,343                      | 5,264   | 1,079                                       | Out of these 1,079 POs, 130 POs have status cancelled whereas status of the remaining 949 POs have not been updated even after 170-1,957 days since their issuance. |

Source: Analysis of data from Online Drug Inventory and Supply Chain Management System (as of November 2021).

Further, it was also observed that 22,659 supplies were made at different warehouses against 5,264 POs where drugs/consumables were supplied by suppliers. Out of these 22,659 cases of supplies, drugs/ consumables were supplied with delay in 7,599 supplies. The delays observed in 7,599 cases of supplies are shown in *Chart 4.1*.

**Chart 4.1: Range of Delay in supply of drugs to warehouse**

Source: Analysis of data from Online Drug Inventory and Supply Chain Management System (as of November 2021).

This delay not only impacted user agencies of HMSCL but also caused undue hardship to the patients who are the ultimately beneficiaries. For instance, NHM Haryana had issued 88 indents to HMSCL for supply of drugs and equipment related to child health, referral transport, maternal health, Rashtriya Bal Swasthya Karyakram, etc. during 2016-21. In 43 out of 88 cases, the time taken from indent received to supply made was 6 months to more than 3 years. Further, in 21 cases<sup>10</sup>, supplies have not been made by HMSCL to NHM till date (November 2021) even after lapse of a period of one to four years. In these 21 cases, HMSCL had received advance of 45.51 crore. The delay has not only affected the implementation of schemes but has also deprived the beneficiaries of the intended benefits.

HMSCL stated (January 2023) that procurement for the indented items is initiated (i) if approved sources are present on valid HMSCL Rate Contract for

<sup>10</sup> Indents for Mobile dental van, SNCU & NBSU equipment, neonatal care ambulance, IFA & calcium tablets, rapid HIV & dual testing kits for pregnant women etc.

the indented items as on date, then purchase orders are placed accordingly after taking necessary approval from competent authority and (ii) if approved sources are not available, HMSCL Rate Contract is arranged for which e-tenders are published. Purchase orders are issued after the funds against the indents are transferred to HMSCL by the indenting department. The reply of HMSCL is not tenable as NHM had already transferred the advance to HMSCL but supplies were made to NHM in 43 cases with delay of more than three years and in 21 cases, no supply had been made even after lapse of a period of one year to four years.

**(ii) Non-levy of penalty worth ₹ 8.66 crore for non-supply of medicines to HMSCL**

As per conditions 3.1 and 3.2 Durg purchase policy, 2018 delivery period would be 60 days from the date of Purchase Order and in case of drug items requiring sterility test, the delivery period would be 75 days. Further, condition 3.6 of Durg purchase policy 2018, stipulates that in case of supply of drugs of less than 60 per cent of ordered quantity within the delivery period, penalty of 20 per cent of unexecuted value would be levied along with risk purchase from approved source as per drugs purchase policy or local market at risk and cost of the firm. As per condition 8.1 drugs purchase policy 2018, such a penalty is recoverable from any amount payable to the supplier.

It was observed that as of October 2021, in 264 cases, the suppliers had not supplied the drugs within the stipulated time. The total value of supply in these 264 cases was 43.32 crore. The total penalty recoverable in these cases works out to be 8.66 crore (20 per cent of 43.32 crore) which was not recovered using Bank Guarantee or any other means till January 2022.

HMSCL stated (January 2023) that an amount of 94.25 lakh had been deducted from the vendors. In case of the remaining recovery, it would be made from the bill of the firms by the Accounts Wing and the details would be submitted to Audit when the recovery was made.

**(iii) Delayed Supply/Non-Supply of Drugs/Consumables to health institutions by District warehouses**

Health institutions in the State send the requisition for drugs to seven warehouses<sup>11</sup> which supply the drugs to health institutions against their requisitions. Data analysis of ODISCM portal revealed that health institutions in the State of Haryana raised 11,05,981 requisitions to the warehouses from 2016-17 to 2020-21 but received drugs (Full/Short supply) for 9,60,667 (87 per cent) requisitions.

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<sup>11</sup> Warehouses: (i) Ambala, (ii) Bhiwani, (iii) Gurugram, (iv) Hisar, (v) Kaithal, (vi) Karnal, and (vii) Rohtak



Out of a total of 11,05,981 requisitions made by the health institutions, full supply was made in 7,89,124 (71.4 per cent) requisitions, short supply was made in 1,71,543 (15.5 per cent) requisitions and no supply was made in the remaining 1,45,314 (13.1 per cent) requisitions.

Quantity of drugs requisitioned by health institutions and supplies made by warehouses in the State during the period 2016-21 is shown in **Table 4.13**.

**Table 4.13: Delay in Supply of Drugs/ Consumables by Warehouses to Health Institutions**

| Quantity of drugs requisitions by Health Institutions (Number in crore) | Quantity of drugs supplied by Warehouses (Number in crore) | Supply (%) | Delay in Supplying Drugs |                              |
|---|--|------------|--------------------------|------------------------------|
|   |  |            | Range of time (In days)  | Quantity Supplied (in crore) |
| 415.47  | 288.93   | 69.54      | upto 7                   | 256.13                       |
|   |  |            | 8 – 15                   | 26.06                        |
|   |  |            | 16-30                    | 5.10                         |
|   |  |            | 31-180                   | 1.56                         |
|   |  |            | More than 180            | 0.08                         |

Source: Analysis of data from ODISCM (as of November 2021)

The above table shows that warehouses provided only 69.54 per cent of the total drugs requisitioned by health institutions.

Further, drugs requisitioned by health institutions and supplied by warehouses in the three test-checked districts was given in **Table 4.14**.

**Table 4.14: Delay in Supply of Drugs/ Consumables by Warehouses to Health Institutions of test-checked Districts**

| Name of District | Quantity of drugs requisitioned (in lakh) | Quantity of drugs supplied (in lakh) | Supply (%) | Delay (in days) |
|------------------|---|--------------------------------------|------------|-----------------|
| Panipat          | 1,163                                     | 954                                  | 82.02      | 1 to 244        |
| Hisar            | 2,998                                     | 1,957                                | 65.27      | 1 to 139        |
| Nuh              | 1,946                                     | 1,215                                | 62.44      | 1 to 229        |

Source: Analysis of data from ODISCM (as of November 2021)

Thus, in the test-checked districts, the supply of drugs indented by health institutions to warehouses ranged between 62.44 per cent and 82.02 per cent. The warehouse had supplied drugs to health institutions with a delay up to 244 days.

This was one of the most important reasons for non-availability of essential drugs in the health institutions.

HMSCL replied (January 2023) that there were instances of delay in pick-up of supplies by the health institutions due to non-availability of vehicles or absence of pharmacist. In such cases, the indented quantities would be issued to other health facilities as the ODISCM portal is regulated by issuance and not by indented pattern. Sometimes, particular drugs/items were not available at the time of physical issuance, hence, these were shown pending in the portal. In case of short supply, issuance of the medicines from the respective warehouse was to be done to rationalise the issuance and ensure stock availability to all the other health institutions.



The reply was not maintainable as the main reason for delayed supply to health facilities was delay in receipt of drugs by HMSCL from suppliers (as discussed in sub-para 4.5.5(i)). Further, approximately 30 *per cent* drugs had not been supplied to the health institutions due to inadequate availability at warehouses.

#### (iv) *Non-availability of medicines/drugs for patients*

Audit obtained prescription slips from 120 OPD patients of District Hospitals (DHs), Panipat, Hisar and Nuh. Scrutiny of these prescription slips revealed that all medicines/drugs were not being provided to the patients in DH, Panipat and Hisar. However, in the case of DH, Nuh, all medicines were being provided to the patients. The details of the medicines/ drugs prescribed, the number of medicines/drugs provided to the patients in DH Panipat and DH Hisar are given in **Table 4.15**.

**Table 4.15: Non-availability of medicines/drugs for the patients**

| Name of the Hospital | Number of medicines prescribed by doctors | Medicines/drugs provided by the hospital | Non/short supply of medicine drugs | Percentage of medicine/ drugs not supplied |
|----------------------|---|--|------------------------------------|--|
| Panipat              | 154                                       | 122                                      | 32                                 | 20.78                                      |
| Hisar                | 176                                       | 121                                      | 55                                 | 31.25                                      |

**Source: Prescription slips issued by doctors was collected in April 2022 (Panipat) and June 2022 (Hisar)**

From the above table, it is evident that all the medicines prescribed were not being provided to the patients. There was shortage of medicines by 20.78 *per cent* and 31.25 *per cent* in DH, Panipat and Hisar respectively.

Thus, due to non-supply, short-supply or delay in supply of drugs to the warehouses by HMSCL and by warehouses to Health Institutions, District Hospitals could not provide all the prescribed medicines to the patients as discussed in earlier paragraphs. As a result, the patients of the District Hospitals had to bear the cost of medicines from their own pocket and the objective of providing free medicines to the patients was not fully achieved.

#### **4.5.6 Input controls**

In ODISCM data, when the supplier dispatches the drug to a warehouse, the dispatch date is captured in the field named “Start Date\_of\_Delivery”, which is entered by the supplier. The date when drugs reach the warehouse is captured in field named “Actual\_Wh\_Receipt Date”, which is entered by the concerned warehouse employee. There should not be any case where the date of dispatch is earlier than the date of delivery. These become crucial fields because penalty for delayed supply was calculated on the basis of these dates.

On analysis of data, it was found that there were 3,769 cases, where the entered receipt date was prior to the entered dispatch date. Audit observed that this became possible as no validation control was enforced for this field and user at warehouse could have entered any date as receipt date.

HMSCL, in its reply, admitted (January 2023) that “Physical receiving date” field was an open date field in software and that receiving date was entered by warehouse users only. It also stated that the NIC/NICSI Support team has been directed to implement the restriction of the receiving date in the online portal.

#### **4.5.7 Accepting drugs having shelf life less than 60 or 75 per cent**

As per condition 2 of Durg purchase policy, 2018 the drugs/ consumables which are supplied should not be older than 1/4<sup>th</sup> (25 per cent) of its shelf life from the date of manufacture and it should have 3/4<sup>th</sup> (75 per cent) of its shelf life remaining at the time of delivery and in case of vaccines and biologics and imported products the remaining shelf life of 3/5<sup>th</sup> (60 per cent) or more is accepted at the time of delivery.

During the period 2016-17 to 2020-21, HMSCL had placed purchase orders for supply of various drugs/vaccines and the supplier had supplied drugs/vaccines at warehouses. Out of the total supply orders placed during the above period, the supply in respect of supply order worth ₹ 19.11 crore were accepted having left over shelf-life ranging from 27.16 per cent to 74.98 per cent. Drugs/ consumables except vaccines, biologicals and imported products should not have been accepted for these supplies. Further, it was noticed that drugs/vaccines valuing ₹ 1.84 crore out of ₹ 19.11 crore, were accepted where the remaining shelf life was less than 60 per cent which was required not to be accepted by HMSCL as it was in contravention to the Drugs Purchase Policy.

HMSCL replied (January 2023) that in certain cases, on the request of the firm and keeping in view the urgency and criticality of the drug, the relaxation in shelf life was given to the firms after taking approval from the competent authorities in larger patients welfare. Thus, there is no loss to the Government and the goods were made available to the patients keeping in view the interests of patient care and welfare. The reply is not tenable as acceptance of such drugs/vaccines was in contravention of Drugs Purchase Policy and was an undue favour to the suppliers.

#### **4.5.8 Loss due to non-replacement of expired medicines**

As per condition 2.3 of Durg purchase policy 2018, HMSCL, the bidder should give an undertaking that the firm would replace the unused expired stores with fresh goods. Further, the firm would be informed by HMSCL about expiry of stock 180 days in advance.

Data analysis of ODISCM revealed that expired medicines worth ₹ 14.52 crore (₹ 6.19 crore at warehouses and ₹ 8.33 crore at other health institutes) were lying in the warehouses/health institutions. HMSCL did not take adequate steps to get medicines in the warehouses/health institutions replaced by the concerned firm before the expiry date by issuing advanced directions before 180 days of

expiry date as per the policy. This resulted in loss of drugs/medicines amounting ₹ 14.52 crore.

HMSCL stated (January 2023) that the amount of ₹ 6.90 crore could not be recovered under replacement conditions for expired drugs as drugs/goods had expired at health institutions. An amount of ₹ 3.71 crore was not recovered for replacement as the purchase orders were issued by Haryana Rate contract (HRC)/ESI/other sources in which clause of replacement of expired drugs did not exist. Out of the balance amount of ₹ 2.21 crore, ₹ 0.59 crore had been deducted from the bills of firms and the remaining recovery would be made from the firm's bills/performance security. The reply is not tenable as against the total recovery of ₹ 14.52 crore, recovery of ₹ 0.59 crore only has been affected. The Department should devise a mechanism for replacing the drugs expiring at health facilities. Moreover, the clause related to replacement of expired drugs should have been incorporated by the Department before purchasing drugs on other department's RCs.

#### **4.5.9 Inordinate delay in procurement of sanitary napkin packets and blocking of funds of ₹ 6.86 crore**

The Ministry of Health and Family Welfare launched (2011) the scheme for Promotion of Menstrual Hygiene among adolescent girls in the age group of 10-19 years in rural areas as part of the Adolescent Reproductive Sexual Health (ARSH) in Reproductive and Child Health (RCH II) scheme with specific reference to ensure coverage of 25 *per cent* rural adolescent girls. The objectives of the scheme were (a) to increase awareness among adolescent girls on menstrual hygiene; (b) to increase access to and use of high-quality sanitary napkins to adolescent girls in rural areas and (c) to ensure safe disposal of sanitary napkins in an environmentally friendly manner. Upper limit to support sanitary napkin procurement with NHM funds for the first time was ₹ 12 per pack of six napkins inclusive of all taxes which were to be sold to adolescents girls at the rate of ₹ six per pack by Accredited Social Health Activists (ASHAs) through door-to-door sale and also utilising the platforms of school and Anganwadi Centres.

The Mission Director, NHM Haryana transferred (December 2017) an amount of ₹ 4.89 crore to HMSCL for procurement of 49.21 lakh sanitary napkin packets. Again, an amount of ₹ 1.97 crore was transferred (August 2018) for procurement of an additional 24.61 lakh sanitary napkin packets.

However, NHM Haryana could not finalise the specification of sanitary napkins up to April 2020. Revised indent for 59.67 lakh packets (₹ 11.50 per packet) was issued in June 2020. In November 2020 (approximately after three years of payment of the first advance), 47.74 lakh sanitary napkin packets worth ₹ 5.49 crore were supplied. Balance supply order of 11.93 lakh (59.67 lakh - 47.74 lakh) sanitary napkins packets worth ₹ 1.37 crore was still (November 2021) pending.

The inordinate delay of three years (approximately) in supply of sanitary napkin packets not only blocked government money amounting to ₹ 6.86 crore (₹ 4.89 crore + ₹ 1.97 crore) but also defeated the social objectives of the scheme and deprived the beneficiaries of the intended benefits.

NHM replied (January 2023) that due to some administrative reasons the procurement of sanitary napkin was delayed and the matter was being regularly followed up with HMSCL. The reply is not tenable as specific reasons for delay were not provided and the balance supply of napkins of ₹ 1.37 crore was still pending.

Procurement of drugs by HMSCL had several shortcomings including non-supply, short-supply and delay in supply of drugs to the warehouses and health institutions, delay in processing of the indents, non-levy of penalty for non-supply of medicines, wrong entry of supply date resulting in undue benefit to the suppliers, procurement of medicines from blacklisted firms and not blacklisting firms repeatedly supplying sub-standard drugs. These shortcomings have adverse impact on availability of quality medicines at medical facilities, which was evident from availability of drugs at test-checked facilities. Some of these issues were already pointed out in in CAG's report no. 3 of 2019, Haryana and Public Accounts Committee had recommended investigation and corrective measures. Despite that, HMSCL has failed to improve its functioning.

#### **4.6 Quality control mechanism in respect of drugs**

As per condition 7 of Durg purchase policy 2018, all batches of drugs procured were to be subjected to quality tests through its empanelled laboratories. The Department has to draw a sample out of every batch and send it to one of the empanelled laboratories. If the sample is declared as not of standard quality (NSQ) then the consignment is to be rejected and drugs of the batch were not to be issued to health institutions.

##### **4.6.1 Supply of NSQ (not of standard quality) to the health institutions issued to patients**

Data analysis of ODISCM portal for the period 2016-21 revealed that seven warehouses supplied drugs/medicines in 9.61 lakh cases to the health institutions. Out of this, in 7,975 cases, a total of 376 lakh drugs/medicines supplied to health institutions were NSQ (Not of Standard Quality) and these drugs were further issued to the patients in these health institutions. Further, it was observed that out of these 7,975 cases of NSQ drugs/medicines, in 7,947 cases drugs/medicines were supplied to the health institutions from the warehouses before getting the test reports from the laboratories and in the remaining 28 cases, NSQ drugs were supplied to the health institutions even after receipt of the laboratories test report. The test reports of these drugs in 7,975 cases came 1 to 595 days after their dispatch to the health institutions from warehouses.

Further, in the test-checked districts, i.e., Panipat, Nuh and Hisar, drugs supplied to health institutions in 1,042 cases were not of standard quality thus posing a risk to the health of the patients. It was further observed that the test reports of these medicines were received in the warehouses with a delay of up to 547 days after their dispatch to health institutions.

HMSCL stated (January 2023) that drugs were distributed only if these were declared to be of Standard Quality. However, in some cases, random sampling was conducted by State Drug Controller Haryana (SDC) from warehouses/ health institutions after distribution and got tested and could be declared NSQ later on. In such cases, as soon as the letter or test report is received from the SDC Haryana, the item is blocked in the portal. The reply is not tenable as during physical inspection of the test-checked health facilities, it was found that most of these NSQ drugs were not only supplied to the health institutions, but also issued to the patients.

As discussed in Paragraph 4.5.2, 15 suppliers had supplied NSQ drugs/ medicines, on more than two occasions. Continued procurement of drugs from these suppliers despite their drugs being tested as NSQ displays callous attitude of HMSCL.

#### 4.6.2 Drugs/Consumables not sent for testing and delay in testing in Laboratories

After receiving the samples from warehouses, the codification process of samples was done and thereafter they were sent to empanelled laboratories for testing. After receiving the result of the test, it was finally updated in the system. Analysis of the dump data of ODISCM portal since inception of the portal up to October 2021 revealed the following as given in **Table 4.16**.

**Table 4.16: Drugs/Consumables not sent for testing and delay in testing in laboratories**

| Stage   | Process  | Number |
|---|--|--------|
| Warehouses (WHs) to HMSCL                                       | No. of drug batches received at WHs  | 23,189 |
|   | No. of batches sent for testing (by WHs to HMSCL)  | 23,084 |
|   | No. of batches not sent for testing (by WHs to HMSCL)  | 105    |
| HMSCL to testing laboratories                                   | No. of samples for which codification done by HMSCL (for testing) out of the total 23,084 batches received | 20,568 |
|   | Total no. of samples that reached the labs, out of the 20,568 codified batches                             | 20,450 |
| No. of samples received by HMSCL but not codified               |  | 2,516  |
| No. of samples received and codified but not sent to the labs   |  | 118    |
| No. of samples for testing sent with delay of more than 30 days |  | 2,052  |

**Source: Analysis of data from Online Drug Inventory and Supply Chain Management System.**

As seen from the above table, out of 23,189 batches received at different warehouses excluding vaccines, covid drugs/consumables, 23,084 batches were sent to HMSCL office for testing. 105 batches were not sent from warehouses to HMSCL for testing. Out of these 105 batches, it was also observed that 28 batches were further distributed to health institutions without getting tested.

Codification of samples was done at HMSCL before sending them to labs for testing. As seen from the table above, out of the total 23,084 samples received at HMSCL, codification of 2,516 samples was not done and further not sent to labs for testing.

Further, out of the total 20,568 samples sent to labs for testing, the trail of 118 samples is not available on ODISCM portal. The outcome of test results of these 118 samples was not known. However, these drugs/consumables have been supplied to health institutions. HMSCL had also sent 2,052 samples out of 20,568 samples, with a delay of more than 30 days after receiving the sample from warehouses. Thus, the delay was at HMSCL's end and ranged between 31 and 431 days in these 2,052 cases.

It was also observed that among the cases that reached the laboratories for testing, the laboratories took more than 21 days in 2,578 cases for testing the samples against the time limit of seven days for un-sterile items and 21 days for sterile items. The range of delay in these cases is given in **Table 4.17**.

**Table 4.17: Range of Delay in Sample Testing**

| Days taken for testing | 22-30 days | 31-60 days | More than 60 days |
|------------------------|------------|------------|-------------------|
| Number of samples      | 1,301      | 859        | 418               |

Source: Analysis of data from Online Drug Inventory and Supply Chain Management System (as of October 2021).

These drugs/consumables were supplied to institutions before getting test results.

HMSCL replied (January 2023) that testing of drugs/medicines were conducted with offline codification for all the items. Further it was stated that many times due to non-availability of rate contract for testing with empanelled lab for certain items, the testing was delayed due to unavoidable circumstances. Moreover, in cases of delay in sample testing, penalty is being imposed on the empanelled labs as per policy. The fact remains that there was delay in testing the drugs/consumables.

#### **4.6.3 Not conducting sample test and not obtaining test reports for locally purchased medicines/ drugs**

As per purchase guidelines for districts issued by the State government in January 2017, District Hospitals were allowed to make local purchases of medicines/ consumables, which were not available with HMSCL warehouse. However, the guidelines did not prescribe any quality testing mechanism for local purchase. Further, as per conditions of Durg purchase policy, 2018, the supply should be accompanied with in-house report and random testing of drugs will be undertaken from Government approved laboratories.

The test-checked health institutions (MCHs and DHs) had procured medicines/ drugs from the local market and rates contract firms valuing 2,093 lakh during



the period 2016-21. These drugs were purchased locally and no quality testing was undertaken for the purchase. In the absence of quality testing of drugs, hospitals were unaware about the quality of drugs supplied to the patients. Thus, failure to ensure quality testing diluted the mechanism for supply of quality drugs to the patients.

The Principal Medical Officer, Panipat admitted (March 2022) that no quality check had been done.

During the exit conference, the ACS to Government of Haryana, Health and Family Welfare department, accepted (January 2023) the audit observations and agreed to put in place a system of sample testing in case of locally purchased medicines.

#### **4.6.4 Manual/ SOP for storage of drugs in the pharmacy in test-checked health institutes**

As per IPHS 2012 norms, the District Hospitals shall have standard operating procedure for stocking, preventing stock out of essential drugs, receiving, inspecting, handing over, storage and retrieval of drugs, checking quality of drugs, inventory management (ABC<sup>12</sup> & VED<sup>13</sup>), storage of narcotic drugs, checking pilferage, date of expiry, pest and rodent control, etc., in the pharmacy (dispensary).

District Hospitals, Hisar (May 2022) and Mandikhera (June 2022) had maintained manual/Standard Operating Procedure for storage of drugs in the pharmacies whereas DH Panipat (December 2021) had not maintained it.

#### **4.7 Deficiency in inventory control of medicine and improper storage of medicine in test-checked MCHs and Family Welfare Department**

Physical verification of pharmacy/drug store in MCH Nalhar in May 2022 revealed that the central drug store was located in the basement of the hospital which was not air conditioned and during the rainy season water seepage occurs in the central store. Shelves/racks were not labelled for medicine storage.

The Director, MCH Nalhar replied (June 2022) that only one storage hall in the basement was provided with air conditioning and that the seepage in the central drug store would be rectified during special repair work to be executed by Haryana Police Housing Corporation.

Further, the Director, Family Welfare Department, Haryana receives supplies from Government of India for onward supply to field offices. A joint inspection of the State Warehouse of Director, Family Welfare Department, Haryana

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<sup>12</sup> 'A' in ABC analysis signifies the most important goods, 'B' indicates moderately necessary goods, and 'C' indicates the least essential inventory.

<sup>13</sup> VED stands for Vital, Essential, Desirable



carried out in February 2022 revealed that there was no specific place/room for storing contraceptives. Cartons of Tubal Rings were lying in the seating area of the office itself.

#### **4.8 Irregular procurement of drugs at higher cost through local purchase by MCH Agroha**

Rule 2.10 of the Punjab Financial Rules as applicable to Haryana says that every Government employee incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety. Each Head of Department is responsible for enforcing financial order of strict economy at every step.

Directorate of Medical Education & Research (DMER) had issued (May 2020) instructions to all Government medical colleges that prior consent of DMER office is necessary before placing any order of such items which are available on rate contract with HMSCL.

During the audit of MCH, Agroha in March 2022, it was observed that the institute is purchasing medicines from suppliers/distributors and not from the manufacturers directly. Unlike purchasing from the manufacturer directly, price paid to suppliers/distributors for purchase of medicine includes their profit margin also. During the period 2016-21, the practice of local purchase of medicines was widely prevalent in the institution. No benchmark price was decided by the committee of the institute while purchasing the medicine from the suppliers/distributors. It is also pertinent to mention that the institution did not place any demand with HMSCL since January 2020.

During the course of audit, test-check of prices of medicines purchased by the institute with the prices of rate contract made by HMSCL during the period August 2019 to March 2020 revealed that amount paid for various medicines through local purchase by the institute was higher by 7.34 to 177.08 *per cent* (except in one outlier case where procurement was made at 1,899 *per cent* higher rate) compared to the prices negotiated in rate contracts by HMSCL. This led to excess expenditure of ₹ 13.43 lakh (22.57 *per cent*) on purchase of medicine worth ₹ 59.49 lakh.

Further, it was also noticed that rate contract done for 29 types of medicine from the period 16 September 2019 to 10 April 2020 (around seven months) was based on single quotation received. Moreover, clause related to generic medicines was also not incorporated in the bidding documents by the institution while inviting tenders.

The Director, MCH Agroha replied (April 2022) that there was no bar on manufacturers participating in the tender and whenever any manufacturer submits the lowest (L1) price for any item it was selected. Further, the delayed supply from HMSCL was the reason for local purchases.

The reply was not tenable as MCH Agroha had purchased medicines at local level at higher cost than the rate contract negotiated by HMSCL.

#### **4.9 Constitution of expert committee to ensure timely availability of drugs in the hospitals**

As per conditions 4.2.3. and 4.2.3.1 of purchase guidelines for districts issued in January 2017 states that the district hospitals should prepare the plan for utilisation of forthcoming funds by February of each year. Further, each district should conduct two meetings under the chair of Civil Surgeon (CS) in the months of February and August.

DH Panipat and DH Mandikhera had not conducted meetings in the months of February and August during 2016-21 and had not prepared any plan for requirement/utilisation of drugs and funds for future requirements.

The PMO Panipat replied (April 2022) that guidelines by the Government are noted and would be taken care of in future.

#### **4.10 Non-availability of adequate medicine counter in Outpatient department**

According to IPHS 2012 norms, for every 200 OPD patients, there should be one counter for dispensing medicine at the pharmacy.

All test-checked health institutions had counters within the benchmark mentioned above except MCH Nalhar and DH Mandikhera. The average OPD load per day at MCH Nalhar (in May 2022) and DH Mandikhera (in June 2022) was around 1,000 to 1,200 patients. However, only two drugs dispensing counters were available in both the hospitals against the required six counters.

#### **4.11 Procurement and Supply of medical equipment**

HMSCL acts as the central procurement agency for procuring equipment for various healthcare institutions of the State. Audit observed the following while auditing purchase of equipment by HMSCL.

##### **4.11.1 Non-monitoring of procurement of medical equipment**

National Health Mission (NHM) transfers funds and issues indents to HMSCL for purchase of equipment, medicines etc. HMSCL completes the tendering process and procures the indented medical equipment, medicines etc. NHM must closely monitor the supply made, timely installation of medical equipment and availability of skilled manpower to operate these machines/equipment. If there was any delay in procurement, NHM must resolve the issues so that timely supply can be made.

NHM transferred ₹ 18.29 crore during the period September 2018 to March 2021 to HMSCL for procurement of medicines/ medical equipment for the Maternity Wing of NHM. However, NHM did not have the details of the scheduled date of delivery, quantity received, date of receipt, amount utilised, amount balance, etc. against the indent.

NHM stated (November 2021) that for better monitoring of medicine and medical equipment indents, coordination meeting was organised on the first and third Monday of each month in HMSCL. Moreover, User ID and passwords have also been generated for Online Drug Inventory and Supply Chain Management System (ODISCMS) of HMSCL to know the status of each drug indented by NHM. The fact remains that despite all facilities, Maternity Wing of NHM failed to provide information related to scheduled date of delivery, quantity received, date of receipt, amount utilised, balance amount, etc. for the aforesaid procurement which showed that the monitoring mechanism needed improvement.

#### 4.11.2 Non-procurement of ambulances

Haryana Government had approved 'Atal Janani Vahini Sewa' scheme in 2018-19 for making operational the 24x7 free ambulance services under NHM Haryana. The ambulance service was dedicated to pregnant women for antenatal checkup, delivery, drop back home and postnatal checkup. An amount of ₹ 28.50 crore was released to HMSCL in April 2019 and November 2020 for procurement of 188 ambulances. Against 188 ambulances, only 44 ambulances were provided by HMSCL in June 2021.

Further, ₹ 5.63 crore were transferred to HMSCL for purchasing 17 neonatal care ambulances in April 2019. No neonatal care ambulance has been delivered by HMSCL (January 2023). Funds transferred for procurement of ambulances and status of procurement is given in *Table 4.18*.

**Table 4.18: Funds transferred for procurement of ambulances and actual procurement made by HMSCL**

| (₹ in crore)      |                 |                    |               |                                 |                     |             |
|-------------------|-----------------|--------------------|---------------|---------------------------------|---------------------|-------------|
| Ambulance type    | Source of funds | Amount transferred | Date          | Indent for number of ambulances | Ambulances provided | Expenditure |
| Neonatal care     | IMR grant       | 5.63               | April 2019    | 17                              | Nil                 | Nil         |
| Patient Transport | Atal Janani     | 7.50               | April 2019    | 68                              | 44                  | 4.85        |
| Patient Transport | Vahani Sewa     | 21.00              | November 2020 | 120                             | Nil                 | Nil         |
|                   |                 | <b>34.13</b>       |               | <b>205</b>                      | <b>44</b>           | <b>4.85</b> |

As evident from the above, against the indent of 205 ambulances only 44 ambulances were provided by HMSCL. Funds amounting to ₹ 29.28 crore remained blocked with HMSCL and the intended benefits could not be derived.

HSMCL stated (January 2023) that due to change in specifications by NHM, change in vehicle emission norms (BS IV to BS VI) and non-receipt of bids in tendering process, the ambulances could not be purchased. Even on GeM portal

tenders could not be finalised twice due to single bids. The reply was not maintainable as HMSCL failed to procure the ambulances despite availability of funds and deprived the beneficiaries from benefits.

#### **4.12 Conclusion**

Availability of all essential drugs was not maintained in the test-checked health institutions. Similar deficiency was noticed for AYUSH drugs as well. Absence of essential drugs forces beneficiaries to arrange for these medicines from outside. All prescribed essential equipment were also not available in the test-checked hospitals. Issues such as non-supply, delayed supply, purchase from blacklisted firm, invalid entry in the drug portal, local purchase at higher cost, accepting drug supply having less than prescribed shelf life, etc., were noticed in the procurement of drugs. In the quality assurance aspect, issues such as supply of substandard medicines and absence of sample testing for local purchase were noticed. Further, delays in supply and non-supply of ambulances and sanitary napkins were also seen.

#### **4.13 Recommendations**

- 1. The Department should ensure timely procurement and testing of drugs/medicines/equipment for ensuring adequate availability of essential drugs and equipment at all health institutions.**
- 2. Online Drug Inventory and Supply Chain Management System should be updated to capture deficiencies in availability of essential drugs at health institutions dynamically and consequently help better monitoring and planning of drug availability in health institutions.**
- 3. Accountability should be fixed in cases of procurement of medicines from blacklisted firm and not blacklisting firms repeatedly supplying sub-standard drugs.**
- 4. In case of locally purchased medicines by health institutions, a system of sample testing like the procedure adopted by HMSCL should be adopted.**
- 5. SOP for proper storage of medicines should be adopted by all health institutions.**