

Executive Summary

The Government of India has been enacting a number of legislations in the area of social security. Employees State Insurance Act, 1948 is an important Act in this regard. The Act provides certain benefits to employees in case of sickness, maternity and employment injury in factories or establishments employing minimum number of workers as determined by the Government. The Government of India, Ministry of Labour and Employment administers the Act through Employees' State Insurance Corporation (ESIC).

Important findings of the Performance Audit Report are given below:

- Outstanding dues on account of contribution from covered establishments amounted to ₹1655.42 crore as of March 2013, of which ₹1001.82 crore was not recoverable.

(Para 2.1.2)

- Non-initiation of timely action to determine the dues resulted in cases becoming time-barred and consequent loss of revenue amounting to ₹ 48.31 crore. Advances of ₹ 20.31 crore given to hospitals as of March 2013 were lying unadjusted in eight States.

(Para 2.1.3 and para 2.8)

- Substantial difference of ₹ 556.59 crore was observed between challans generated towards contribution to be paid by the employers and actual receipts.

(Para 2.4)

- Approximately 12000 ESIC employees had been irregularly availing medical benefits from ESIC dispensaries/hospitals without paying though the facilities were meant for only insured persons paying contributions.

(Para 2.7)

- There were shortfalls in meetings of Standing Committee, Medical Benefit Council, Regional Boards and Hospital Development Committees. Regional Boards were not reconstituted in nine states though their tenure expired during 2004 to 2011.

(Para 2.10 and 2.11)

- Shortfalls in conducting surveys/inspections/test inspections led to ineffective coverage of the scheme.

(Para 3.2)

- Two Intensive Care Units (ICUs) and one Coronary Care Unit (CCU) at ESIC hospital, Noida, Uttar Pradesh could not be made operational even after a lapse of more than two years of hospital's functioning, as a result of which equipment worth ₹ 8.16 crore remained unutilised.

(Para 4.2.5)

- Due to non-availability of super speciality treatment (SST) in ESIC hospitals, the expenditure of ESIC on the SST from empanelled hospitals for its IPs increased significantly from ₹ 5.79 crore in 2008-09 to ₹ 334.54 crore in 2012-13.

(Para 4.2.6)

- Non-provision of facilities for CT scan and MRI, which were required as per norms in two hospitals in Delhi and Noida, Uttar Pradesh resulted in patients being referred to empanelled diagnostic centres. This led to avoidable expenditure of ₹ 4.32 crore during 2011-12 and 2012-13.

(Para 4.2.8)

- 142 medical equipments valuing ₹9.43 crore in various ESIC hospitals/dispensaries were lying idle as of March 2013.

(Para 4.2.9)

- Despite existence of Rate Contract, hospitals purchased dressing items and medicines from local market resulting in avoidable payment of ₹ 2.25 crore.

(Para 4.3.2)

- Sample testing policy for quality check of drugs procured by the ESIC was not being complied with, resulting in distribution of sub-standard drugs to insured persons posing serious health hazard.

(Para 4.3.6)

- Shortage of doctors and specialists ranged between 19 and 44 *per cent* had adverse impact on effective service delivery to insured persons.

(Para 4.4.1)

- While opening two 500 bed hospitals at Gulbarga and Mandi, the norms for existence of minimum number of insured persons were not followed and the locations were incorrectly selected.

(Para 5.1.2)

Summary of Recommendations

- ESIC may take effective steps to recover the arrears of contribution, interest and damages and also ensure prompt action against defaulters. ESIC may also investigate and determine accountability in time barred cases.
- The ESIC may frame the budget estimate with due care. The Ministry may scrutinize the budget proposals carefully before according sanction.
- It is recommended to hold meetings of various committees as prescribed and Regional Boards may be constituted on time for effective governance.
- ESIC may procure its medicines through rate contracts to effect economy and minimise procurement through local purchase.
- ESIC may strengthen its project monitoring mechanism.