CHAPTER-VII: CONCLUSION AND RECOMMENDATIONS

The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was announced in August 2003 with the objective of correcting the imbalances in the availability of tertiary healthcare services and improving the quality of medical education in India. The scheme comprised setting up of AIIMS like Institutions and upgradation of existing State Government Medical Colleges/Institutions (GMCIs). In its first phase, the scheme envisaged setting up six Institutions like the All India Institute of Medical Sciences (AIIMS) and upgradation of 13 existing medical Institutions. Over a period of time, the scheme has been expanded to cover 20 new AIIMS and 71 GMCIs in six phases.

A total amount of ₹ 14,970.70 crore was allocated for the scheme during 2004-17 of which an amount of ₹ 9,207.18 crore had been released by the Ministry. However, a significant portion of the funds remained under-utilised due to delays in obtaining approval, delays at the planning stage, delays in execution of works, slow pace of procurement of equipment and non-filling up of posts. Lack of effective monitoring and tracking of actual utilisation led to ₹ 830.81 crore lying unutilised with the nominated agencies as on March 2017 as well as diversion of funds amounting to ₹ 26.71 crore. Out of the total orders for equipment of ₹ 1,273 crore for the six new AIIMS and GMCIs, the value of equipment actually put to operational use was only ₹ 599 crore i.e. 47 *per cent*, which likely impair the capacity of the institutions to provide the envisaged levels of health care and medical education despite significant outlay on the institutions.

The capital cost for the six new AIIMS for Phase-I was initially approved in March 2006 for ₹ 1,992 crore with the estimated capital cost for each new AIIMS being ₹ 332 crore. In March 2010, the Ministry obtained revised approval for capital cost of the six new AIIMS for ₹ 4,920 crore i.e. at the rate of ₹ 820 crore per new AIIMS. This represented 145 *per cent* increase in capital costs. In case of civil works, 46.4 *per cent* of the additional cost was due to increase in cost index between September 2003 to October 2008 and

the balance was due to changes in scope, provision for additional items[1] and inclusion of Works Contract Tax. The increase in capital costs was thus largely attributable both to delay in taking up the project after the same was announced in 2003 and shortcomings in planning and assessment of requirements for new AIIMS.

Efficient and cost effective implementation of the scheme was undermined by lack of any operational guidelines which resulted in several *ad hoc* decisions being taken with respect to several key aspects of the scheme. In the case of new AIIMS, initial approval in Phase-I was not based on a comprehensive assessment of scope of work which led to subsequent delays and increase in costs. Engaging of Public Sector Undertakings as consultants on nomination basis and allocation of work for upgradation of GMCIs was not in conformity with the GFRs and extant rules and provided no assurance that the agencies selected had the required professional and technical credentials. In the case of GMCIs, criteria for selection were not formulated resulting in arbitrary selection.

Though all the six new AIIMS taken up in Phase-I had become functional, there were delays ranging from about four to five years in setting up the new AIIMS that were attributable to deficient project and contract management, administrative laxity and weak monitoring. Deficiencies in execution of works including improper estimation of scope and quantities, extra payment to contractors and poor contract management had a financial implication of ₹ 140.28 crores including ₹ 39.96 crore of excess or extra payments to contractors. Several departments out of 42 sanctioned had not become functional in the new AIIMS and there were shortages of beds in the Institute/ hospitals ranging between 43 *per cent* and 84 *per cent*. There were delays in installation of equipment ranging from three months to 42 months and equipment with estimated cost of ₹ 454 crore remained undelivered for periods over two years. The delays in procurement of equipment arose mainly from poor contract management as well as engagement of staff who lacked the requisite qualifications that undermined the quality of medical services that were being delivered by these premier institutes that were expected to adhere to the highest standards of medical education and patient care. The position was worsened by shortage of faculty posts and non-faculty posts in the new

[1] Includes items on account of green building norms and items not included at EFC stage in November 2004.

AIIMS which ranged from 55 *per cent* to 83 *per cent* and 77 *per cent* to 97 *per cent* respectively.

Upgradation of GMCIs was similarly delayed in many cases with only eight out of the 19 GMCIs selected for audit were completed. In cases where construction work had been completed, some super speciality departments could not be made functional primarily due to shortage of equipment and staff. Deficiencies in planning and award of works as well as non-adherence to codal and contract provisions resulted in additional or extra expenditure of ₹ 17.65 crore. In addition, lack of synchronization and coordination of activities resulted in serious gaps in provision of equipment which was critical for operationalizing the super specialty blocks and provision of improved health care. The Institutes also faced shortage of manpower required to run the new facilities and Departments. Further, 19 out of 41 facilities had not been upgraded.

Lastly, monitoring committees constituted at National, State and Institute levels to review project implementation remained ineffective. Monitoring of upgradation of GMCIs were found to be left entirely with the concerned Institutions and both the Ministry and the State Governments were not adequately involved in monitoring the implementation of the projects. This adversely affected the progress of project works at all locations.

Thus, the envisaged deliverables from these institutions were yet to fully materialise even though a period of almost 15 years has elapsed since the scheme was announced.

Recommendations:

- Ministry should frame operational guidelines that would guide and regulate implementation of the scheme across the States.
- Ministry may take steps to expedite the completion of leftover work by better monitoring of the projects.
- Timely receipt, installation and proper functioning of equipment in new AIIMS and GMCIs should be ensured so that the equipment are utilised properly for the purpose for which they were procured.

- Ministry may take effective steps to minimise the shortage of faculty, non-faculty and technical manpower in new AIIMS and GMCIs so that the intended benefit to the beneficiaries be made available.

- The Ministry should ensure effective monitoring by the committees at State and Institution level so as to ensure necessary synchronisation and coordination of activities related to completion of works, procurement and installation of equipment and provision of manpower.

- Ministry should ensure adherence to codal and contract provisions in execution of works and provision of services. Accountability should be fixed where there is extra or additional expenditure without adequate justification.

- Evaluation studies may be taken up concurrently for status check and to identify weaknesses in planning and implementation of the scheme. The findings from the evaluation studies on lessons learned should be incorporated in the planning and implementation strategy for subsequent phases.

New Delhi
Dated: 02 April 2018

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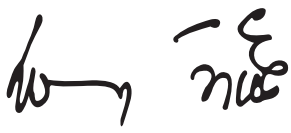

New Delhi
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