

The audit aimed to examine the status of various activities required to be carried out by the National Health Authority, State Health Authorities, District Implementing Units, etc. for implementation of PMJAY and make suitable recommendations for augmenting implementation at various levels.

2.1 Audit Objectives

The Audit was conducted in order to ascertain:

- a) Whether the beneficiary registration process is able to include all the eligible beneficiaries and filter any ineligible applicants,
- b) Whether the controls in the process of empanelment of hospitals/laboratories are implemented in practice,
- c) Whether the process/controls for reimbursement of claims to empanelled hospitals/laboratories are adequate and are effective,
- d) Whether the financial management including release and utilization of funds was efficient, and
- e) Whether there exists an effective monitoring system with anti-fraud and grievances redressal mechanisms.

2.2 Audit Criteria

The following were the sources of audit criteria:

- a) Operational Guidelines for the implementation of PMJAY
- b) Socio-Economic Caste Census (SECC), 2011 data
- c) Relevant circulars, orders and notifications issued by the Ministry of Health and Family Welfare and National Health Authority
- d) Provisions contained in General Financial Rules etc.
- e) Physical and financial progress reported under Management Information System (MIS) available on website of the PMJAY.

2.3 Why this Performance audit

PMJAY aims at coverage of a large number of beneficiaries to provide them medical care and reduce out-of-pocket expenses. The Scheme involves considerable financial investment by both the Central and State Governments. The audit was taken up in view of the importance of the scheme and the considerable financial outlay.

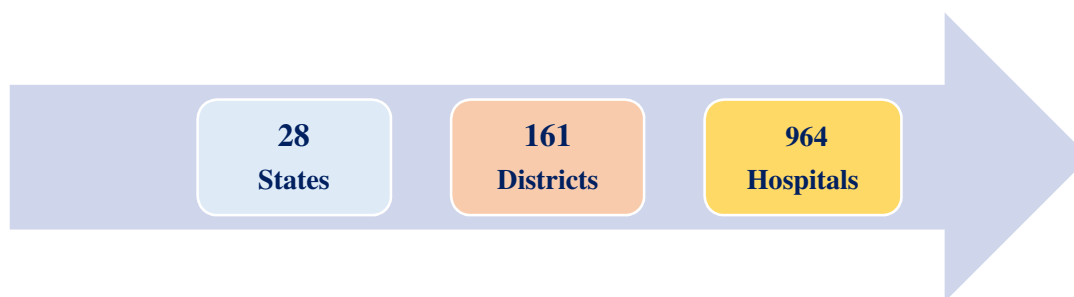
2.4 Audit Scope and Selection

All India Performance Audit of PMJAY covered the period from September 2018 to March 2021. The Performance audit was conducted in 28 States/UTs implementing the PMJAY. Each State was divided into different geographical regions and 25 per cent of Districts were selected. The process and mechanism for sampling and selection of Districts and hospitals are detailed in **Annexure-2.1**.

Entities covered during audit examination included the Ministry of Health and Family Welfare and National Health Authority at the Central level, State Health Agencies, District Implementation Units and selected Empanelled Hospitals at the State level.

The sample size covered during the Performance Audit is depicted in **Chart-2.1** and details in **Annexure-2.2**.

Chart-2.1 Sample size covered



2.5 Audit Methodology

Performance audit was conducted since inception of the Scheme *i.e.* September 2018 to March 2021. Data analysis at NHA was carried out on live server through Virtual Private Network (VPN) till the month of July 2021 and in the States on different dates.

The Performance audit commenced from 01 April 2021 with an entry conference with the National Health Authority on 24 March 2021 wherein the audit approach was discussed. Simultaneously, entry conference was held in each participating State by the respective Director General/Principal Director (Central)/Principal Accountants General/Accountants General with the nodal departments involved in the implementation of PMJAY.

In June-July 2020, a data analysis of NHA's IT System was conducted in which significant audit findings viz. presence of suspected (ineligible) beneficiaries in PMJAY ecosystem because of usage of uncleaned SECC database, unrealistic household size, pendency in approval of beneficiaries and hospitals, time taken for pre-authorization approval, delay and pendency in approval and payment of claims and inadequate validation controls were observed. Further data analysis was conducted again during the course of audit at NHA as well as SHA and the findings have been discussed in succeeding Chapters.

After conclusion of audit, an exit conference was held with the NHA on 27 July 2022 wherein the draft audit findings were discussed. Exit conferences were also held at the State level. On 17 February 2023, a presentation was made to the Ministry of Health and Family Welfare, wherein the updated status of Scheme implementation was shared by the Ministry with the Audit. Responses furnished by the Ministry and NHA have been considered and appropriately included in this Report.

2.6 Structure of the Report

The Report containing relevant findings is divided into five Chapters. The structure of the Report is as under:

Chapter Number	Title
III	Beneficiary Identification and Registration
IV	Hospital Empanelment and Management
V	Claims Management
VI	Financial Management
VII	Monitoring and Grievance Redressal

While Chapters-I and II provide an overview of the subject and audit approach adopted during the audit process, Chapter-VIII presents key Initiatives undertaken in the implementation of PMJAY. Recommendations for augmenting the Scheme have been given in Chapter-IX.

2.7 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the Ministry of Health and Family Welfare, National Health Authority, State Governments and implementing departments and their officials at various stages during conduct of this Performance Audit.