

CHAPTER 6

Financial Management

Budgetary allocations and expenditure on health sector of the State was below the level, envisaged in the National Health Policy. There was no significant increase in health expenditure of the State, compared to Gross State Domestic Product. The budgetary control was not adequate, and funds allocated in the budget, were not utilised fully. Unutilised funds were also found lying with the field offices, for years together. There were persistent savings of the allocated funds, over the years. Despite efforts to manage the situation arising out of the Covid-19 pandemic, the funds allocated for creating infrastructure, to build resilient public health systems, to support preparedness and prevention related functions for emergency management, were not fully utilised. There was lack of oversight in examining bills submitted by private Covid hospitals, leading to irregular/ excess payments.

6.1 Adequacy of funding

Effective financial management ensures that decisions taken at the policy level, are implemented successfully at the administrative level, without wastage or diversion of funds. This Chapter reviews the allocative priorities of the State Government, the transparency of budget formulation and the effectiveness of its implementation.

The Health and Family Welfare Department (H&FW), Government of Odisha, received funds from two main sources: (i) State budget and (ii) Grants-in-Aid from GoI, under the National Health Mission (NHM), with the corresponding share of the State Government. Comparisons of the total budget of the State, with the allocation for the health sector and the Gross State Domestic Product (GSDP), with the actual utilisation of the budgetary outlay, revealed the following:

6.1.1 Share of the health sector in the total budget

National Health Policy (NHP), 2017, envisaged that the State's spending on the health sector should be increased to at least eight *per cent* of its budget, by 2020. The year-wise budgetary allocations and expenditure, on the health sector of the State, for the period from FYs 2017-18 to 2021-22, are given in **Table 6.1**.

Table 6.1: Budget allocation and expenditure on the health sector (Amount in ₹ crore)

Financial Year	Total State Budget	Allocation for the Health Sector		Utilisation	Savings	
		Amount	Percentage		Amount	Percentage
2017-18	1,20,028.57	5,827.10	4.85	4,928.42	898.68	15.42
2018-19	1,35,513.58	6,582.56	4.86	5,800.46	782.10	11.88
2019-20	1,55,630.00	7,296.06	4.69	6,378.67	917.39	12.57
2020-21	1,67,663.27	9,468.61	5.65	7,923.25	1,545.37	16.32
2021-22	1,95,723.37	11,474.40	5.86	10,420.45	1,053.95	9.19
Total	7,74,558.79	40,648.73	5.25	35,451.25	5,197.48	12.79

(Source: Appropriation Accounts of the respective years)

Audit observed the following, in regard to the above mentioned period:

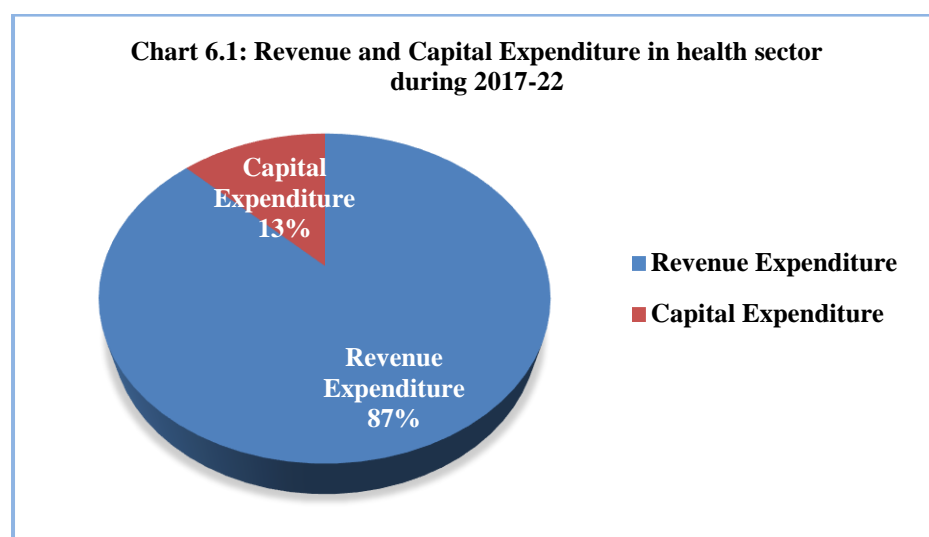
- Allocation of funds for the health sector ranged between 4.69 *per cent* and 5.86 *per cent* of the State budget. Thus, budgetary allocation remained less than that envisaged in the NHP, at the end of March 2022.
- The health expenditure of the State had remained between 4.10 *per cent* and 5.32 *per cent* of the State budget, against the minimum of eight *per cent*, as envisaged in the NHP.

The H&FW Department stated (February 2023) that there was incremental growth in health expenditure over the years and the State would achieve eight *per cent* expenditure by 2025.

- Thus, while, the budgetary allocations remained below the level envisaged in the NHP, the sums, as provisioned in the budget, were also not utilised fully, in any of the years. There were persistent savings of the allocated funds, with overall savings of 12.79 *per cent* (₹5,197.48 crore) of the total budget outlay.

The H&FW Department stated (February 2023) that budget, being a financial estimation, it was difficult to anticipate the exact expenditure and added that 10 *per cent* savings were acceptable. The fact, however, remained that there were persistent savings over 10 *per cent* during the period from FYs 2017-18 to 2020-21, with overall savings of 12.79 *per cent*.

- During FYs 2017-18 to 2021-22, out of the total expenditure on the health sector, capital expenditure constituted ₹4,466.59 crore (13 *per cent*) only, as shown in **Chart 6.1**.



(Source: Appropriation Accounts of the respective years)

The year-wise allocation and expenditure under revenue and capital heads in health sector, during the period FYs 2017-18 to 2021-22, is given in **Table 6.2**.

Table 6.2: Allocation and expenditure under Revenue and Capital heads

Year	Revenue (₹ in crore)		Capital (₹ in crore)	
	Allocation	Expenditure (<i>per cent</i>)	Allocation	Expenditure (<i>per cent</i>)
2017-18	4,609.80	4,093.04 (89)	1,217.30	835.38 (69)
2018-19	5,582.56	5,126.02 (92)	1,000.00	674.44 (67)

Year	Revenue (₹ in crore)		Capital (₹ in crore)	
	Allocation	Expenditure (per cent)	Allocation	Expenditure (per cent)
2019-20	6,324.06	5,836.67 (92)	972.00	542.00 (56)
2020-21	8,398.61	7,247.92 (86)	1,070.00	675.33 (63)
2021-22	9,576.14	8,681.00 (91)	1,898.26	1,739.44 (92)
TOTAL	34,491.17	30,984.66 (90)	6,157.56	4,466.59 (73)

(Source: Appropriation Accounts of the respective years)

The expenditure on revenue sector ranged between 86 per cent and 92 per cent of the allocation, with overall savings of ₹3,506.51 crore (10 per cent) during FYs 2017-18 to 2021-22. Similarly, there were 27 per cent savings (₹1,690.97 crore), out of the total capital outlay, intended for creating healthcare infrastructure.

The H&FW Department attributed (February 2023) the savings on capital outlay to non-availability of funds from the Centre, difficulty in land acquisitions and court cases.

- The H&FW Department did not maintain consolidated details of funds received from other sources, such as from the District Mineral Foundation Trusts (DMF) or from the corpus maintained by the Odisha Mineral Bearing Areas Development Corporation (OMBADC). In one sampled unit, *i.e.*, DHH, Sundargarh, Audit noticed that the DHH had received ₹119.08 crore from the DMF Trust of Sundargarh district, during the FYs 2017-18 to 2021-22, for infrastructure development, procurement of equipment, remuneration for additional manpower, *etc.* Similarly, records of the Director of Public Health, Odisha, showed that OMBADC had provided ₹ 27.40 crore, under the National Vector Borne Disease Control Programme, during FYs 2019-20 to 2021-22.

The H&FW Department stated (February 2023) that steps had been taken for maintaining a consolidated details of funds received from other sources.

6.1.2 Percentage of GSDP spent in the health sector

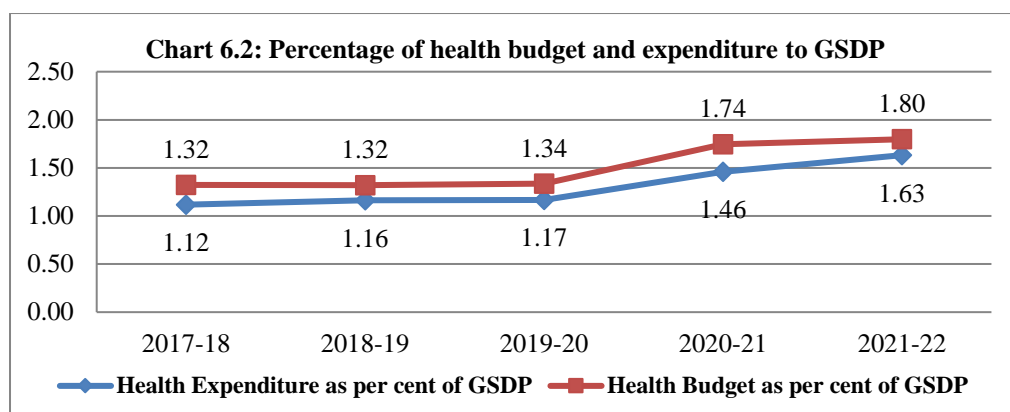
NHP, 2017, envisaged increasing expenditure in the health sector, from 1.15 per cent of GSDP to 2.5 per cent of GSDP, by 2025. The GSDP, Health Budget and utilisation of funds in the health sector of the State during FYs 2017-18 to 2021-22, is shown in **Table 6.3**.

Table 6.3: Health expenditure vis-à-vis GSDP (Amount in ₹ crore)

Financial Year	GSDP of the State	Health Budget of the State	Expenditure on Health
2017-18	4,40,974	5,827.10	4,928.42
2018-19	4,98,576	6,582.56	5,800.46
2019-20	5,46,413	7,296.06	6,378.67
2020-21	5,42,889	9,468.61	7,923.25
2021-22	6,38,342	11,474.40	10,420.45
Total	26,67,194	40,648.73	35,451.25

(Source: State Finances Audit Reports and Appropriation Accounts of the respective years)

The percentage of health budget and health expenditure of the State to its GSDP, during FYs 2017-18 to 2021-22, is depicted in **Chart 6.2**.



(Source: State Finances Audit Reports and Appropriation Accounts of the respective years)

During FYs 2017-18 to 2021-22, the percentage increase in health expenditure of the State, as compared to its GSDP, was only 0.51 per cent.

The H&FW Department assured (February 2023) to achieve health expenditure of 2.5 per cent of the GSDP by 2025.

6.2 Budget Control

As per the Odisha Budget Manual, the Budget of the State is based on the departmental estimates, as submitted by the Controlling Officers. These departmental estimates are, in turn, based mostly on the estimates submitted by the district officers of the departments, so that the estimates are as accurate as possible.

The H&FW Department, after due scrutiny of the consolidated budget proposals received from the Controlling Officers, submits its proposal to the Finance Department, to enable it to process the annual/ supplementary budget for the Department.

To examine the procedure followed for budget preparation, Audit requested the Directorate of Health Services (DHS), Odisha, one of the Controlling Offices (CO) of the H&FW Department, to provide budget related records/ files. DHS did not, however, provide the related files/ records, owing to which Audit was unable to derive assurance in regard to compliance with the prescribed procedures, by the DHS.

DHS, however, provided details of the DDOs, who had submitted the budget estimates. It was noticed that only 11-27, out of the 519 DDOs under its administrative control, had submitted budget estimates to the DHS, for preparation of the annual budget, during FYs 2017-18 to 2020-21. Thus, the budget estimates, prepared by the DHS, were not based on bottom-up aggregation of the actual requirements from the field level. Resultantly, the budget was not accurate, as discussed below:

- The State budget had, *inter alia*, a provision of ₹5,144.20 crore for the DHS, for the FY 2020-21. Against this budget estimate, ₹6,147.07 crore was allocated, after re-appropriation of ₹1,002.87 crore, *i.e.* 19 per cent over the original budget. Against this allocation, only ₹4,034.68 crore could be utilised, resulting in surrender/ savings of ₹2,112.39 crore, which was about 34 per cent of the funds allocated to the DHS. Similarly, there were 30 per cent savings during FY 2021-22, as only

₹4,828 crore was expended against the budget allocation of ₹6,870.63 crore. This showed that the budget estimates prepared by the DHS, were not accurate and did not represent the actual requirements on the ground.

Further, during FYs 2017-18 to 2021-22, an amount of ₹2,562.87 crore was re-appropriated over the original budget estimates. However, an amount of ₹4,832.03 crore was surrendered during these five years. Thus, the amount of savings was more than the re-appropriated amount, indicating that re-appropriation was not necessary.

- During FYs 2018-19 to 2020-21, the DHS had allocated funds, ranging between ₹31.90 crore and ₹35.84 crore per year, to the State Blood Transfusion Council (SBTC), under the scheme ‘Strengthening of blood services in the State’. The expenditure under the scheme remained between 9 per cent and 11 per cent of the available funds. The DHS, while preparing budget as a CO, did not take this into consideration and continued to allocate/ sanction funds under the scheme, which resulted in accumulation of ₹83.01 crore with the SBTC, by March 2021.
- The State Health Assurance Society (SHAS)¹²⁸ had been sanctioned ₹92.94 crore, during FY 2018-19, under the Rashtriya Swasthya Bima Yojana. Out of this, the Society incurred only ₹36.61 crore, during FY 2018-19 and the balance amount of ₹56.33 crore remained with the society. During FY 2019-20, the society incurred an expenditure of ₹8.47 crore out of this fund and ₹47.85 crore was still lying with the SHAS. The DHS/ Department had not taken any steps to get refund of the said amount from the society, even though the scheme was no more in operation in the State. This amount, along with accrued interest, had been lying outside the Government Accounts, in the Bank Account of SHAS, for more than three years, as of March 2022.
- Two test-checked MCHs had received ₹1,140.29 crore during FYs 2017-18 to 2021-22, towards: (i) medical education, (ii) running of the attached hospitals and (iii) implementation of various schemes, such as increasing of UG/PG seats, establishment of super specialty departments, medical research activities, etc. Out of this fund, an amount of ₹ 937.28 crore was utilised, leaving an unspent balance of ₹ 203.01 crore (MKCG MCH: ₹184.76 crore and PRM MCH: ₹18.25 crore), as of March 2022. The unspent amount had been lying in the bank accounts of the MCHs, for many years. For instance:
 - The unutilised amount of ₹1.61 crore, out of ₹4.61 crore received during FYs 2006-07 to 2010-11, towards setting up of a trauma care centre, was lying with the MKCG MCH as of July 2022.
 - The entire amount of ₹139.40 crore (including interest of ₹23.45 crore), received during FYs 2016-17 to 2019-20 for

¹²⁸ The society was to ensure health services for the beneficiaries under ‘Rashtriya Swasthya Bima Yojana (RSBY)’ scheme. RSBY, a centrally sponsored scheme was under implementation in the State, to provide health insurance coverage for Below Poverty Line (BPL) families, to provide protection to BPL households from financial liabilities, arising out of health issues, that involve hospitalisation

increasing of MBBS seats in MKCG MCH, was lying unutilised, as of August 2022.

- The entire amount of ₹1.82 crore, received during FY 2012-13 for installation of dedicated power supply in the MKCG MCH, was lying unutilised in the bank accounts, as of July 2022.

The above instances of unutilised amount show that the specific purposes for which they were intended had not been achieved. Thus, the process of preparation of the budget estimates was not in compliance with the provisions of the OBM Manual and resulted in surrender/savings of substantial amounts.

While admitting the fact of submission of budget estimates by only few DDOs during FYs 2017-18 to 2021-22, the H&FW Department stated (February 2023) that actual requirement of funds had been proposed to the Government for the FY 2023-24, as all the DDOs had submitted the budget estimates. It further added that less expenditure was due to less requirement, leading to surrender of funds. This indicates that budget estimate was not based on the actual requirement, as there was a considerable amount of savings/ surrender of funds.

Recommendation 6.1

State Government may enhance its health budget and expenditure for healthcare services, to ensure the availability of adequate and quality healthcare infrastructure and services.

6.2.1 Receipt and expenditure under the National Health Mission

The State had received ₹8,986.60 crore, under the National Health Mission (NHM) during FYs 2017-18 to 2021-22, for implementation of various programmes, as detailed in **Table 6.4**.

Table 6.4: Receipt and utilisation of funds under NHM (₹ in crore)

Financial Year	Opening Balance	Receipt		Total funds, including interest	Expenditure	Closing balance	Percentage of expenditure
		GoI	GoO				
2017-18	312.77	641.20	573.77	1,561.73	1,048.36	513.37	67
2018-19	513.37	644.39	708.13	1,892.93	1,117.67	775.26	59
2019-20	775.26	881.16	855.89	2,542.11	1,451.44	1,090.67	57
2020-21	1,090.67	966.84	1,089.29	3,168.52	1,725.83	1,442.69	54
2021-22	1,442.69	1,442.57	1,183.36	4,078.46	2,912.79	1,165.67	71
TOTAL		4,576.16	4,410.44		8,256.09		

(Source: Data provided by the NHM, Odisha)

Audit observed that the State Health Society had spent ₹8,256.09 crore, during FYs 2017-18 to 2021-22, under NHM, leaving an unspent balance of ₹1,165.67 crore, as on 31 March 2022. The huge savings were due to non/ partial execution of approved activities, contributing to non-achievement of targets/ goals, as discussed in **Chapter 9** of this report.

Thus, NHM, Odisha, failed to utilise the allocated funds for implementation of various programmes, with the percentage of year-wise expenditure of available funds remaining below 71 per cent, during FYs 2017-18 to 2021-22.

The H&FW Department stated (February 2023) that the unutilised funds did not relate to NHM only, but included other funds like COVID vaccination,

Emergency COVID Response Packages, *etc.* The reply was not convincing, as the expenditure pertaining to the periods prior to COVID-19, was also low.

Recommendations 6.2:

The Mission Director, NHM may ensure optimum utilisation of funds received under various National Health Programmes, through effective implementation and monitoring.

6.2.2 Payment of incentive under Janani Suraksha Yojana

The Janani Suraksha Yojana (JSY) is a safe motherhood intervention, under the National Rural Health Mission (NRHM), being implemented with the objective of reducing maternal and neo-natal mortality, by promoting institutional deliveries among the poor pregnant women. All registered pregnant women are eligible for a cash incentive of ₹1,400 (₹1,000 for urban areas) and ₹500/- for home delivery, to meet the delivery expenses. The JSY incentive was to be paid within seven days of delivery.

Scrutiny of HMIS¹²⁹ Reports and information furnished to Audit, showed that 2,01,630 institutional deliveries had been made in the test-checked DHHs, during FYs 2016-17 to 2021-22, against which the JSY incentive had been paid to 1,85,885 mothers.

The JSY incentive had not been extended to 15,745 beneficiaries in the test-checked DHHs. It was noticed that 31 *per cent* (9,316) of the beneficiaries of DHH, Nuapada, had not been paid JSY incentive, followed by DHH, Nabarangpur, with 11 *per cent* non-payment cases.

The DHHs attributed non-payment of incentive to non-receipt of applications, deficiencies in bank account details, *etc.*

Non-disbursement of JSY assistance was indicative of inadequate supervision/action by the DHHs, which adversely affected the objective of the scheme, *i.e.* to encourage institutional delivery among the poor pregnant women, which in turn, was expected to contribute to reduction of maternal and neo-natal mortality.

The H&FW Department stated (February 2023) that instructions were being issued to the concerned authorities for disbursement of JSY incentives within the prescribed timelines.

6.3 Funding and utilisation for Covid-19 management

The H&FW Department had received funds from different sources, like the State Disaster Relief Fund (SDRF), Emergency Covid Response Package (ECRP)¹³⁰, Public Health Response Fund (PHRF), *etc.*, for preparedness and prevention related functions in the State, to manage the Covid-19 pandemic. The details of funds received and released by the H&FW Department, during 2019-22, are given in **Table 6.5**.

¹²⁹ Health Management Information System

¹³⁰ ECRP: Under the package, funds are provided by the Government of India and the State Government for managing the Covid situation and strengthening public health facilities. PHRF: Funds provided by the State Government towards disaster management such as flood, cyclone, *etc.*

Table 6.5: Receipt and release of funds for Covid-19 management (₹ in crore)

Name of Schemes	Receipt	Released
SDRF	1,668.31	1,668.31
ECRP - I (GoI)	156.26	156.26
ECRP –II (Central Share)	517.18	517.18
ECRP – II (State Share)	344.79	344.79
PHRF (State)	169.26	169.26
Information, Education and Communication (State)	13.00	13.00
TOTAL	2,868.80	2,868.80

(Source: Data furnished by the H&FW Department, Odisha)

The H&FW Department, after receipt of funds/ budgetary allocation, had released the amount to the DHS/ NHM, for Covid-19 management. The details of utilisation of funds, sanctioned in favour of various agencies, for Covid-19 management, were not available with the Department. This indicated that the Department had not monitored utilisation of the sanctioned amount. Audit, however, observed the following:

- NHM, Odisha, had received ₹1,027.14 crore from the State, of which ₹716.77 crore was utilised for Covid-19 management. There was an unspent balance of ₹311.18 crore with the NHM, Odisha as on 31 March 2022 (including the interest amount of ₹0.81 crore).
- The Director of Public Health (DPH) had received ₹169.26 crore under PHRF, for management of Covid-19. On scrutiny of the release orders/ expenditure vouchers, it was noticed that:
 - While sending the claim bills of Ziqitza Health Care Limited, towards supply of 300 laptops and accessories, the H&FW Department had requested the DPH to make payment, after verifying the claims. The DPH had paid (March 2021) ₹1.17 crore to Ziqitza Healthcare Limited, Bhubaneswar, towards outright procurement of 300 laptops and ₹1.53 lakh for 220 keyboards and mice, being used for running the virtual call centres, during the Covid-19 period. Before making payment for outright procurement, the DPH had not enquired about the working condition of the laptops, guarantee/ warranty, the make and year of manufacture, etc. The current status/ whereabouts of these laptops, was also not known to the DPH.

DPH, Odisha, stated (July 2022) that the payment had been made to the firms, as per the orders of the Government.

- DPH had released ₹27.25 crore to the Chief District Medical & Public Health Officers (CDM & PHOs), Medical Colleges, Capital Hospital¹³¹, etc., for Covid-19 management. However, no Utilisation Certificates, against the released amounts, were found available on record. In the absence of UCs, the actual utilisation of the released amounts, could not be ascertained in Audit.

¹³¹ One major hospital in Bhubaneswar with DHH status

- A total amount of ₹86.66 crore had been received for management of Covid-19, during FYs 2020-21 and 2021-22, at the Office of the Collector, Cuttack. Out of this amount, ₹67.69 crore had been disbursed to various implementing agencies and the balance amount of ₹18.97 crore, had been retained in the Bank Accounts (May 2022), maintained by the Collectorate. Thus, the unspent amount was lying with the Collectorate, outside the Government Account, without having been refunded to the funding agencies. The Directorate/ Department had not fully ensured utilisation of the sanctioned funds, for the purpose for which they had been sanctioned.
- An amount of ₹ 61.05 crore was received for management of Covid-19 at the Collectorate, Khurda, during 2020-21 and 2021-22. Out of this amount, ₹ 58.86 crore had been disbursed and the balance of ₹2.19 crore was lying with the Collectorate. Utilisation Certificates, for an amount of ₹ 24.12 crore, had not been received, as of October 2022.

Thus, the Department had failed to assure that the funds sanctioned for Covid-19, had actually been utilised for the purpose of sanction, in compliance with the extant guidelines and orders.

6.3.1 Utilisation of ECRP-II funds

The Emergency Covid Response Package-II intended to build resilient public health systems, to support preparedness and prevention related functions, that would address not only the current COVID-19 outbreak, but also such outbreaks, in future, in the country.

The funds provided under ECRP-II were to be utilised to enhance Covid essential diagnostics and drugs; lab strengthening for RT-PCR¹³²; ramping of health infrastructure, with focus on paediatric care units, etc. All the activities were to be completed by 31 March 2022.

NHM, Odisha, received ₹861.97 crore (including the Central share of ₹517.18 crore), under ECRP-II, during 2019-22. Audit observed the following in this regard:

- **Delay in release of funds:** ECRP guidelines provided that the State Government should transfer the funds, to the State Health Society, within seven working days from the date of release of the Central share. Audit noticed that the H&FW Department had transferred the funds (1st installment) to the State Health Society, after 40 days of the receipt from the GoI, with a delay of 33 days.
- **Less utilisation of funds:** Out of ₹861.97 crore, received under ECRP-II, the State could utilise only ₹551.50 crore (64 per cent), as of March 2022. Audit examined the utilisation of funds for the activities, approved under ECRP-II (Financial Monitoring Report) and found that the expenditure in eight activities/ programmes was less than 50 per cent, as detailed in **Table 6.6**.

¹³² Real time Polymerase Chain Reaction Test

Table 6.6: Budget and Expenditure of funds, under ECRP-II (₹ in lakh)

Activity/ Item of Expenditure	Budget	Expenditure	Expenditure in per cent
For establishing dedicated Pediatric care units in DHHs	6,472.24	712.01	11
For establishing Pediatric Centre of Excellence at Medical Colleges/ State Hospitals/ Central Government Hospitals	377.27	6.97	2
For field Hospitals (50/ 100 bedded)	27,845.08	11,701.42	42
For Medical PG Interns	50.00	19.61	39
For Final Year GNM Nursing students	100.00	22.50	22
For Final Year B.Sc. Nursing students	50.00	23.58	47
For Strengthening the Telemedicine/ Tele-consultation Hubs	1,659.50	375.40	23
For Capacity Building and Training for ECRP-II components	117.02	40.92	35
Total	36,671.11	12,902.41	35.18

(Source: Data furnished by NHM, Odisha)

- The expenditure on establishment of dedicated pediatric wards in DHHs and a Pediatric Centre of Excellence, in MCH/ State Hospital, was minimum, as only ₹7.19 crore (10.5 per cent) was spent, against the budgeted amount of ₹68.49 crore, even though the entire amount was to be utilised by March 2022. The intended infrastructure under the scheme, was yet to be created.
- In the six test-checked DHHs, there was an unspent balance of ₹14.08 crore, under ECRP-II, (DHH, Sundargarh, had no unspent amount), indicating that the funds, sanctioned to the DHHs, had not been utilised for the purpose for which they had been sanctioned and the unutilised amounts had been lying in bank accounts, *i.e.* outside the Government Account.
- Funds amounting to ₹274.24 crore, released to the State Project Management Unit, had been shown as expenditure by the NHM, Odisha without ensuring actual expenditure.

The H&FW Department stated (February 2023) that the expenditure against low performing activities had been improved and the budget was likely to be exhausted by March 2023.

6.3.2 Management of Dedicated Covid Care hospitals

Government of Odisha, in response to the Covid-19 pandemic, had established Dedicated Covid Hospitals (DCHs), across the districts in the State and issued (April 2020) Guidelines for operations of the DCHs. As per the Guidelines, the DCHs, managed by private hospitals, had to provide the necessary treatment, to the Covid patients who had been referred for admission by the District Collector/ Municipal authorities concerned. The private DCHs were to prepare bills for the expenditure incurred towards the treatment of patients admitted in their hospitals, and submit the same, with supporting documents¹³³, to the

¹³³ (i) Copy of case sheets, mentioning the name, age, sex, address, contact number; referral slips, if applicable, (ii) Approval letter of the AMO, for admission of the patients, (iii) Discharge summary, indicating the clinical findings, (iv) Detailed procedure followed

Authorised Medical Officer (AMO) and the Authorised Person ¹³⁴ (AP), designated by the State. After scrutiny and countersignature of the bills, by the AMO and the AP, they were forwarded to the District Collector/ Municipal Authority, for approval, who, in turn, released the payment, or sent the same to the funding agencies for payment.

In order to derive assurance that the expenditure had been incurred for the purpose for which the funds were intended, and no undue and excess payments had been made, Audit examined the related records/ documents of 18 DCHs, located in the districts of Khurda and Cuttack. It was noticed that 51,967 Covid patients had been treated in these 18 DCHs in the first two waves of the Covid-19 pandemic, and ₹724.50 crore had been incurred for the purpose. Audit observed the following in this regard:

6.3.2.1 Irregularities in payment of ₹144.88 crore to DCHs

The bills submitted by the eight DCHs, out of the 18 test-checked DCHs, had not been properly scrutinised by the AMO, for ensuring that the claims of the DCHs, for expenditure incurred towards the treatment of Covid-19 patients, were in order and, as per the Guidelines. The irregularities, noticed in passing the bills for payment, without proper check/ verification of documents, are discussed in **Table 6.7**.

Table 6.7: Irregularities in the bills claimed by the DCHs (₹ in crore)

Sl. No.	DCH	Period of claiming bill	Amount paid (in ₹ crore)	Irregularities observed
1	Sum Hospital, Bhubaneswar	1 April 2021 to 31 January 2022	78.67	The DCH had submitted an abstract of the bills to the Bhubaneswar Municipal Corporation (BMC), without verification and countersignature by the AMO and Authorised Person. The BMC has approved the claims for payment without verifying the actual number of patients admitted, type of beds availed by the patients, and patient-wise claims, etc. Payment was made to the DCH, based on the abstract of the bills.
2	Hi-Tech Hospital, Bhubaneswar	24 August 2020 to 28 February 2022	15.69	The DCHs had not submitted the required patient-wise documents, along with the consolidated bills, to the AMO. The AMO had signed the bills without verification of patient-wise data, like the type of beds, number of days stayed, in each bed, etc. The bills had then been submitted to BMC, without the countersignature of the Authorised Person and BMC passed the bills for payments.
3	Blue Wheel Hospital, Bhubaneswar	23 September 2020 to 31 July 2021	7.75	
4	KIIDS, Bhubaneswar	14 September 2020 to 15 July 2021	7.36	
5	Sanjeevini Hospital, Bhubaneswar	26 May 2021 to 15 July 2021	0.93	

during hospitalisation, (v) Reports of all investigations and (vi) Final bills, indicating the details of claims

¹³⁴ The term 'Authorised Person' refers to an OAS Officer, who was to verify and countersign the bills, after scrutiny by the Authorised Medical Officer

Sl. No.	DCH	Period of claiming bill	Amount paid (in ₹ crore)	Irregularities observed
6	Aditya Ashwani Hospital, Bhubaneswar	27 July 2020 to 27 February 2022	29.27	
7	Sparsh Hospital, Kantabada, Bhubaneswar	28 April 2021 to 21 July 2021	4.91	
8	Sun Hospital, Cuttack	08 September 2020 to 22 September 2020	0.30	The category of beds <i>i.e.</i> General, High Dependency Unit, ICU, ICU with ventilator had not been mentioned in the bills. Individual case records of patients were not available. The bills had been paid in the absence of these essential/basic details, which determine the quantum of consumable charges to be claimed.
Total			144.88	

(Source: Bills submitted by the eight test-checked DCHs)

No reasons or justification had been recorded, as to how the officials processing the bills, had satisfied themselves of the veracity of charges claimed, in the absence of the required documents. Thus, payment of ₹144.88 crore to the DCHs, without verification of basic documents/ records, was irregular.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

6.3.2.2 Non-deduction of the cost of PPE kits: ₹2.73 crore

Government of Odisha had standardised (August 2020) the rates for disbursement of different consumable/ variable charges¹³⁵ in the DCHs, according to the categories¹³⁶ of beds.

Audit noticed that the OSMCL had supplied PPE¹³⁷ kits to 10 private DCHs, in the Khurda and Cuttack districts, costing ₹2.73 crores, as detailed in **Table 6.8**.

Table 6.8: Non-deduction of cost of PPE kits distributed to DCHs

Sl. No.	DCH	District	Number of PPE Kits supplied	Rate per PPE Kit	Cost of PPE kits supplied (in ₹)
1	Srusti Hospital	Cuttack	4,100	798.54	32,74,046.00
2	Ashwini Hospital	Cuttack	6,856	987.87	67,72,861.00
3	South Point Hospital	Cuttack	496	1,037.86	5,14,778.00
4	Sun Hospital	Cuttack	410	1,000.66	4,10,272.00
5	Blue Wheel	Khurda	100	1,087.47	1,08,747.00
6	KIDS Hospital	Khurda	100	1,037.86	1,03,786.00
7	KIMS Hospital	Khurda	500	1,087.00	5,43,500.00

¹³⁵ 'Consumable charges' included the cost of medicines; toiletries, diet, investigations, dead body transportation and disposal, PPE kits, *etc.* The rates of consumable charges per day per bed, were General bed: ₹1,750; HDU: ₹10,000; ICU bed: ₹12,000; ICU with ventilator: ₹13,000

¹³⁶ General, HDU, ICU, ICU with Ventilators

¹³⁷ PPE- Personal Protective Equipment

Sl. No.	DCH	District	Number of PPE Kits supplied	Rate per PPE Kit	Cost of PPE kits supplied (in ₹)
8	SUM Hospital	Khurda	1,450	1,058.66	15,35,057.00
9	Aditya Ashwini	Khurda	11,760	1,087.47	1,27,88,647.00
10	Neelachal Hospital	Khurda	1,200	1,037.00	12,44,400.00
	Total		26,972		2,72,96,094.00

(Source: Data provided by the test-checked DCHs)

Despite the fact that PPE kits had been supplied free of cost, to the DCHs, by OSMCL, the DCHs had not deducted the cost of the PPE kits from their bills, which had been submitted to the Collectors/ Municipal authorities, for payment. These irregular claims of consumable charges, against the PPE kits, had not been reduced from the bill amounts by the AMOs/ Authorised Persons, while forwarding the claims. Resultantly, there had been excess payment of ₹2.73 crore, to the DCHs.

While the BMC did not respond to the audit observation, the Cuttack Municipal Corporation stated that the cost of the PPE kits would be deducted from the pending bills.

6.3.2.3 Inadmissible payments of ₹2.62 crore to M/s Ashwini Hospital

Audit examined the bills, submitted by M/s Ashwini Hospital, Cuttack, for the period from April 2020 to December 2020, and noticed the following irregularities:

- In 315 cases, the hospital had submitted bill, in which the same bed numbers and periods of treatment, had been repeated across multiple patients.
- The patients' individual documents, submitted along with the bills, also specified that some of them had been assigned the same bed numbers, for the same periods of treatment.
- Such duplication had been overlooked by the AMO, AP, the Office of the District Collector and the Odisha Mining Corporation (the funding agency), while examining the claims, resulting in irregular payment of ₹2.62 crore.

The District Collector, Cuttack, had endorsed the response of the concerned DCH, which stated that:

- The bed numbers, referenced in the documents, accompanying the bills, had been duplicated, since new beds had been added, to increase the bed strength of the DCH.
- A particular bed number could also refer to a new bed, adjacent to an existing numbered bed, which had not existed earlier.

The response of the DCH was not tenable as the DCH was unable to produce any document in support of the above assertion. Further, the existence of duplicate bed numbers, due to such constraints, had neither been reported, nor disclosed, previously, to any authority, prior to the receipt of the Audit observation.

6.3.2.4 Irregular payment of ₹ 93.87 lakh to M/s Neelachal Hospital

According to GoO instructions (July 2021), the District Collector, Khurda, had intimated (6 July 2021) M/s Neelachal Hospital, to close its DCH, by 15 July 2021, and had categorically instructed it not to admit any new patients, from 6 July 2021 onwards, as also to shift its patients, who were under treatment, to the nearest Government Covid hospitals.

M/s Neelachal Hospital, however, requested (13 July 2021) the Collector for extension of its operations as a DCH, till 31 July 2021. The Collector, Khurda, accorded it further extension, up to 31 July 2021, with instructions to transfer its patients, who were in general beds, to the nearby hospitals, immediately.

Audit noticed that:

- The DCH had not taken any steps for transfer of its 12 patients in general beds, to the nearby hospitals. Instead, the DCH had claimed occupancy of HDU beds, for 10 of these patients, for the entire period of their stay, ranging from 25 to 48 days. Similarly, the DCH had also claimed ICU beds, for the other two patients, for periods of 30 days and 46 days.
- The DCH had also claimed occupancy of seven patients, in ICU beds, for the entire periods of their stay, ranging from 27 to 46 days. The same patients had earlier been reported to be in HDU beds.

In this light, *prima facie*, the DCH had irregularly claimed payments amounting to ₹93,86,500 (**Appendix 6.1**). The concerned authorities (AMO, Authorised Persons, etc.) had also not noticed such irregularities, while examining the claims, which had led to irregular payment of ₹93,86,500, to M/s Neelachal Hospital.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

6.3.2.5 Excess payments of ₹55.20 lakh to M/s Hi-Tech Hospital

Due to decline in the number of patients at the end of the first wave of Covid-19, BMC reduced (November 2020) the general bed strength, from 110 to 70, in case of the DCH, operated by M/s Hi-Tech Hospital. The reduced bed strength, was to be effective from 16 November 2020, for claims towards fixed charges¹³⁸.

Audit, however, noticed that the DCH had continued to claim fixed charges for 110 beds, instead of the reduced bed strength (70 beds), against the orders of the BMC. Thus, the DCH had claimed fixed charges for 40 beds (110-70) more, at ₹3,000 per bed per day, from 16 November 2020 to 31 December 2020. This irregularity had not been noticed/highlighted by the AMO, Authorised Person and the BMC, while examining these claims. Resultantly, there was excess payment of ₹55.20 lakh, to M/s Hi-tech Hospital, as detailed in **Table 6.9**.

¹³⁸ Fixed bed charges per bed per day: General bed: ₹3,000; HDU bed: ₹ 3,500; ICU bed: ₹ 5,000; Neonatal ICU bed: ₹ 4,500; Dialysis ICU bed: ₹ 5,000; Maternity bed: ₹ 3,000

Table 6.9: Excess payment to M/s Hi- Tech Hospital

Period	Bed charges paid		Bed charges due		Excess amount Paid (in ₹)
	Number of beds	Amount paid(in ₹)	Number of beds	Amount due (in ₹)	
16-30 November 2020 (15 days)	110	49,50,000	70	31,50,000	18,00,000
1-31 December 2020 (31 days)	110	1,02,30,000	70	65,10,000	37,20,000
Total		1,51,80,000		96,60,000	55,20,000

(Source: Records of the DCH)

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

6.3.2.6 Excess payment of ₹85.27 lakh for claim of fixed charges

In view of the decline in Covid-19 cases, at the end of the second wave (July 2021), BMC instructed two DCHs, i.e., M/s Hi-Tech Hospital, Bhubaneswar and Sanjeevani Hospital, Bhubaneswar, to reduce their bed strengths from 1 July 2021.

Audit, however, noticed that the DCHs had misinterpreted the “reduction by” clause in the BMC communication, as “reduction to” and had claimed fixed charges for more number of beds, during the period from 1 July to 15 July 2021, resulting in excess payment of ₹85.27 lakh, as detailed in **Table 6.10**.

Table 6.10: Excess payments made to the DCHs

Hospital	Bed category	Number of beds				Excess claimed	Excess payment ¹³⁹ (in ₹)
		Existing	Reduced by	For which claims to be made	For which claims made		
Hi-Tech Hospital	General	110	87	23	87	64	28,80,000
	Neonatal ICU (NICU)	6	5	1	5	4	2,70,000
	Dialysis	10	9	1	9	8	6,00,000
	Maternity	50	50	0	50	50	22,50,000
	Total						60,00,022
Sanjeevani Hospital	General	43	38	5	38	33	14,85,000
	HDU	33	25	8	25	17	8,92,500
	ICU	24	13	11	13	2	1,50,000
	Total						25,27,500
Grand Total						85,27,522	

(Source: Records of BMC)

This irregularity had not been noticed/highlighted by the Authorised Medical Officers, Authorised Persons and the BMC, while examining the claims, submitted by M/s High Tech Hospital and M/s Sanjeevani Hospital, and the bills had been paid.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

6.3.2.7 Excess payment of ₹86.49 lakh due to non-reduction of bed capacity

The DCH of M/s Blue Wheel Hospital, Bhubaneswar, was functional from 23 September 2020, with 60 General beds, as per its agreement, drawn up (September 2020) with the BMC. Similarly, the DCH of M/s Neelachal Hospital

¹³⁹ Calculated on the basis of excess number of beds claimed* fixed bed charges (as given in footnote 13) x 15 days (1 July 2021 to 15 July 2021)

was running with 126 General beds, as per the agreement entered into (July 2020) with the Collector, Khurda.

In view of the decline in Covid-19 cases, at the end of the first wave (October 2020), Government of Odisha decided (15 October 2020) to rationalise the use of General beds, by reducing 50 per cent of the approved capacity, in the DCHs which had a bed occupancy of less than 50 per cent, during the previous two weeks.

As on 15 October 2020, M/s Blue Wheel Hospital had bed occupancy for 676 bed-days for General beds, against the approved capacity of 1,380 bed days, during the previous two weeks; while the bed occupancy of the DCH, operated by M/s Neelachal Hospital, had been 920 bed-days, against 1,890 approved bed-days, during the previous two weeks.

Since the two DCHs of M/S Blue Wheel Hospital and Neelachal Hospital, had less than 50 per cent bed occupancy in General beds, as on 15 October 2020, the bed capacity, of both the hospitals, was to be reduced to 30 and 63 respectively, with effect from 16 October 2020.

Audit, however, noticed that, the bed capacity had not been reduced in either case, as evidenced from the succeeding two bills, submitted by these DCHs, leading to excess payment of ₹86.49 lakh towards fixed charges (₹3,000 per bed per day), as per details given in **Table 6.11**.

Table 6.11: Excess payment of fixed charges (Amount in ₹)

Hospital	Period	Amount paid for 60 beds	Amount due for 30 beds	Excess paid (in ₹)
Blue Wheel Hospital	16 -31 October 2020	28,80,000	14,40,000	14,40,000
	1-15 November 2020	27,00,000	13,50,000	13,50,000
		Amount paid for 126 beds	Amount due for 63 beds	
Neelachal Hospital	16 -31 October 2020	60,48,000	30,24,000	30,24,000
	1-15 November 2020	56,70,000	28,35,000	28,35,000
Total		1,72,98,000	86,49,000	86,49,000

(Source: Bills claimed by the DCHs)

This irregularity had not been noticed/ highlighted by the AMO/ Authorised Persons and the concerned authorities, prior to passing the claimed bills.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

6.3.2.8 Excess payment of ₹23.34 lakh to M/s Aditya Ashwini Hospital

The Bhubaneswar Municipal Corporation signed (July 2020) an agreement, with M/s Aditya Ashwini Hospital, for operating a DCH with 99 General beds, 21 HDU beds and 30 ICU beds.

The H&FW Department standardised (August 2020) the rate of consumable charges for General beds as ₹1,750 per day and for ICU beds as ₹12,000 per day (no rate was specified for HDU beds). Government of Odisha also clarified (August 2020) that, if the payments towards consumable charges had already been made, on the basis of the actual expenditure incurred, then the same would be applicable and these standardised rates would not be applicable for the prior period.

M/s Aditya Ashwini Hospital submitted (21 August to 2 September 2020) claim bills towards consumable charges, for HDU beds, for the period from 27 July 2020 to 31 August 2020, at the rates fixed for General beds, *i.e.* at ₹1,750 per day, which was certified by the AMO.

Subsequently, the Government of Odisha fixed (October 2020) the per day consumable charges for HDU beds, at ₹10,000 per bed.

M/s Aditya Ashwini Hospital, then submitted (September 2020) the arrear claims, for consumable charges, for HDU beds, as per details in **Table 6.12**.

Table 6.12: Excess payment to M/s Aditya Ashwini Hospital

Period	Number of HDU bed-days	Consumable charges previously claimed (₹1,750 per day)	Differential amount claimed, as arrears (₹ 8,250 per day)
27 July-15 August 2020	40	70,000	3,30,000
16-31 August 2020	243	4,25,250	20,04,750
Total	283	4,95,250	23,34,750

(Source: Claim bills of the DCH)

Thus, the DCH had claimed arrears for the previous period, which had already been settled at ₹1,750 per HDU bed per day, as certified by the AMO. Since the expenditure itself was lower than or equal to ₹1,750 per day, as certified previously, submission of arrear claims, for the same period, with higher consumable charges, on *post-facto* basis, was irregular, resulting in excess payment of ₹23.34 lakh, to M/s Aditya Ashwini Hospital.

The Bhubaneswar Municipal Corporation did not respond to the Audit observation.

6.3.2.9 *Inadmissible payment of ₹36.72 lakh, by showing more bed occupancy*

Government of Odisha had standardised the consumable charges per bed per day, which were to be paid to the hospitals on the basis of occupancy of bed-days, as approved by the Government.

It was noticed that M/s SUM Hospital had claimed 3,911 bed-days, against 3,750 bed-days approved for the month of September 2020. Similarly, M/s Aditya Ashwini Hospital had claimed 2,455 bed days, against 2,310 bed-days approved for the period from August 2020 to October 2020. Thus, there was excess claim for 306 bed days, involving an extra payment of ₹36.72 lakh, as detailed in **Appendix 6.2**.

This irregularity had not been noticed/ highlighted, by the AMO/ Authorised Person, examining the claims. As a result, excess amount of ₹36.72 lakh had been paid for 306 bed days (₹12,000 per bed, per day), with the hospitals having claimed 6,366 bed days, against the prescribed limit of 6,060 bed days.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

6.3.2.10 *Irregular payment to non-NABH accredited hospitals*

The H&FW Department, had issued (April 2021) an advisory for provisioning at least 50 *per cent* of the beds, in private hospitals having 30 or more beds, for treatment of Covid-19 patients. In the said advisory, the rates had been fixed for

both, NABH (₹3,000 for general bed and ₹5,000 for ICU bed) and non-NABH (₹1,200 for general bed and ₹2,000 for ICU bed) accredited hospitals. In Cuttack District, the CMC activated four DCHs (April 2021), in private hospitals, for the treatment of Covid-19 patients. The dates of activation and the number of beds, for which fixed costs were paid, are detailed in **Table 6.13**.

Table 6.13: DCHs with sanctioned beds in Cuttack

Hospital	Date of activation	Number of beds	Fixed cost paid (in ₹)
Unique Hospital	1 May 2021	20 ICU, 18 HDU and 5 General Beds	1,77,56,000
Om Subham Hospital	5 May 2021	20 ICU, 28 HDU and 12 General beds	3,28,57,000
Mediera Hospital	4 June 2021	25 ICU beds, 60 HDU beds, 40 General beds and 2 dialysis bed	2,20,80,000
Rudra Hospital	5 May 2021	30 ICU, 30 HDU and 2 OT beds	3,36,37,500
Total			10,63,30,500

(Source: Records of the test-checked DCHs)

Audit noticed that:

- No formal agreements or MoUs had been signed with these four Hospitals, in compliance with the H&FW Department letter (April 2020), even on *post-facto* basis.
- No Technical Committee, under the District Collector, for finalising the fixed cost charges, had been constituted, although this was required under the Guidelines for operations of the DCHs, issued by the State Government.
- The basis on which the number and types of beds had been made operational, as well as the rates for fixed expenses to be claimed, were not found available on record.

These four DCHs, had, however, claimed the fixed expenses at the maximum rate *i.e.*, ₹3,000 for general beds and ₹5,000 for ICU beds, even though these hospitals were not NABH accredited.

Accepting the claims at higher rates, in the absence of: (i) a formal MoU, (ii) report of the Technical Committee and (iii) NABH accreditation, led to irregular payments to the DCHs.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

6.3.2.11 Excess payment of ₹2.85 crore towards Diet Allowance

The H&FW Department, fixed (July 2020) the rates for daily diet allowance, for doctors and paramedical staff, engaged in the DCHs, at ₹240 per day. Audit observed the following in this regard:

(i) Eight DCHs

During Joint Physical Inspection, conducted (during May 2022 and September 2022) by Audit, with the BMC/ CMC and DCH staff, it was noticed that the number of doctors and paramedical staff actually deployed, was less, as compared to the claims submitted by the DCHs. The percentage of doctors and paramedical staff actually deployed ranged between 43 to 81 *per cent* of the

number of doctors and paramedical staff, against which payments had been claimed, as detailed in **Table 6.14**.

Table 6.14: Irregular payments made towards diet allowance (Amount in ₹)

DCH	Period of claim	Number of doctors/ paramedics		Actual amount due	Amount paid	Excess amount paid
		for whom claimed	actually available (per cent)			
Sadguru	24 August to 31 December 2020	214	105 (49)	32,76,000	66,72,979	33,96,979
	4 May to 31 July 2021	257	143 (56)	30,54,480	54,79,920	24,25,440
Srusti	12 September to 31 December 2020; and 21 April to 19 August 2021	154	86 (56)	47,88,480	85,72,800	37,84,320
Unique	1 May to 31 July 2021	73	59 (81)	13,02,720	16,13,520	3,10,800
Mediera	4 June to 10 August 2021	177	97 (55)	15,83,040	28,86,480	13,03,440
Om Subham	5 May to 31 July 2021	152	82 (54)	17,31,840	32,12,640	14,80,800
South Point	26 April to 6 August 2021	316	170 (54)	42,02,400	78,06,240	36,03,840
Rudra	7 May to 4 August 2021	173	84 (49)	18,14,400	37,31,280	19,16,880
Neelachal	26 July to 22 December 2020	210	99 (47)	35,64,000	75,71,520	40,07,520
	20 April to 31 July 2021	287	124 (43)	30,65,280	71,06,400	40,41,120
	Total					2,62,71,139

(Source: Bills of the eight DCHs)

As a result, there was excess payment of ₹2.63 crore, which had not been noticed/ highlighted by the AMO, Authorised Person and other concerned authorities, prior to their having passed the claims.

The Cuttack Municipal Corporation stated that the bills had been paid as per the proposal of its Health Officer. The response was not tenable, since there was excess payment of Diet Allowance, which was intended for the doctors and paramedical staff who were actually on duty, during the period of the Covid-19 outbreak.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

(ii) Ashwini Hospital

Further, M/s Ashwini Hospital, Cuttack, submitted a bill of ₹74,72,556, to Odisha Mining Corporation Limited, through the Collector, Cuttack, on 1 February 2021, towards Diet Allowance of the doctors and paramedical staff engaged in its DCH, for the period April-December 2020. The hospital received its payment, on 6 June 2021. The bill included payment of Diet Allowance, at the fixed rate of ₹240 per day, for the period from April 2020 to 12 July 2020, *i.e.* prior to the H&FW Department's order. In the order, it was clearly mentioned that the rates were applicable with prospective effect. However, the hospital had claimed the Diet Allowance of Doctors and Paramedics,

retrospectively. As such, there were irregular claims and payment of ₹22.04 lakh, for the above period, as detailed in **Table 6.15**.

Table 6.15: Irregular diet allowance paid to Ashwini Hospital

Sl. No.	Month	Total Number of staff	Rate per day	Amount (in ₹)
1	April 2020	2,008	240	4,81,920
2	May 2020	2,492	240	5,98,080
3	June 2020	3,336	240	8,00,640
4	1-12 July 2020	1,351	240	3,24,240
Total				22,04,880

(Source: Bills furnished by Ashwini hospital, Cuttack)

The District Collector, Cuttack, endorsed the response of the Ashwini Hospital, which stated that the claim had been submitted as per the H&FW Department's Order (13 July 2020). The response was not tenable, since the order was not effective retrospectively and, in this light, the bill claimed by M/s Ashwini Hospital was irregular.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.

6.3.2.12 Irregular payment of ₹4.73 crore to M/s Neelachal Hospital

As per the SOP issued (2018) by the H&FW Department, for the management of patients in Intensive Care Units, in Government and Private hospitals, patients were to be shifted to Wards, once they became normal, and priority was to be given to new emergency patients. Patients, who had become stable were not to be kept in the ICU, to reduce unnecessary psychological and financial burden, to patients and families.

Audit noticed that the patients at Neelachal Hospital had been discharged from ICU/ HDU beds directly, without their having been transferred to General wards. As the charges for ICU beds per day were higher than the charges for the General beds, the possibility of higher rates, as fixed for ICU or HDU beds, having been claimed cannot be ruled out.

Scrutiny of the bills submitted by M/s Neelachal Hospital, for the period from 26 July 2020 to 15 August 2021, indicated that, in 332 cases, patients had been discharged directly from ICU beds/ ICU with Ventilator beds, without having been stepped down to HDU/ General beds, even for a day. This fact had not been noticed/highlighted by the AMO, Authorised Person and the concerned authorities, while examining the claims.

In none of these 332 cases, the patients had been referred to any other hospitals. During its visit (1 September 2022) to the DCH, with the hospital staff, Audit test-checked 50 individual case files of such patients and found that the categories of beds, for these patients, had not been indicated in the individual case files, and the exact dates of discharge of these test-checked cases had also not been maintained.

Thus, Audit was unable to derive assurance that these patients had, in fact, occupied ICU/ ICU with ventilator beds and was unable to find any supporting document or reasonable explanation, for reporting the direct discharge of patients, from ICU/ ICU with ventilator beds, from the DCH.

Therefore, the claim made by M/s Neelachal Hospital, in these 332 cases, involving payment of ₹4.73 crore, was untenable and irregular.

The H&FW Department assured (February 2023) to take steps to inquire into the matter to establish the factuality and to take appropriate action.