authorities. Incomplete Storm Water Drainage System and non-implementation of Solid Waste Management project resulted in discharge of contaminated water into the sea and open dumping of waste on the coast.

The matter was referred to Government in July 2017; reply had, however, not been received (February 2018).

HEALTH & FAMILY WELFARE DEPARTMENT

3.2 Implementation of Rashtriya Swasthya Bima Yojana in West Bengal

Government of India (GoI) introduced[25] 'Rashtriya Swasthya Bima Yojana (RSBY)' from 2008-09 to provide health insurance cover to Below Poverty Line (BPL) families. The beneficiaries under RSBY were entitled to hospitalisation coverage up to ₹ 30,000. The coverage extended to a maximum of five members of the family. The family included the head of the household, spouse and up to three dependents. The Government fixed the package rates for the hospitals for various interventions.

The scheme: To provide health insurance coverage, State Government selected one or more health Insurance Companies (ICs) on a periodical basis through tenders. The ICs were required to empanel sufficient number of Government and private health providers/ hospitals, so that beneficiaries need not travel far. The premium amount was to be shared by the GoI and the State at 60:40 ratio (75:25 prior to 2015-16). The empanelled hospitals, after rendering free treatment to the patients, were to prefer the claim to the IC/ Third Party Administrator (TPA). The claims were to be settled within 30 days. The beneficiary had to pay a one-time fee of ₹ 30 at the time of enrolment. Apart from this, the Central Government also paid ₹ 60 per beneficiary as the cost of card.

Organisational set-up: In West Bengal, the scheme was first implemented by the Labour & Employment Department. From September 2013, it was transferred to the Health & Family Welfare (H&FW) Department. The State Nodal Agency (SNA) was responsible for implementation of RSBY in the State. The SNA was headed by the State Nodal Officer (SNO)[26], who was also the Secretary, H&FW Department.

Audit coverage: The audit of "Implementation of RSBY in West Bengal" was conducted during January to June 2017 covering the period 2012-17. The records of SNA, RSBY and District Nodal Officers (DNOs) of six districts[27] were test-checked. Audit team also visited some Government hospitals and Private Nursing Homes empanelled for RSBY in the test-checked districts. The audit findings are discussed in the following paragraphs.

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[25] *The scheme was originally introduced by the Ministry of Labour & Employment, Government of India, wherefrom the responsibility of carrying out the scheme was shifted to the Ministry of Health & Family Welfare with effect from April 2015.*

[26] *The State Nodal Officer (SNO) was assisted at the district level by the Additional District Magistrates, designated as District Key Managers (DKMs). The DKMs were in turn assisted by the District Nodal Officers (DNOs). At Gram Panchayat/ village level, the Accredited Social Health Assistants (ASHAs) were nominated as Field Key Officers (FKOs). They were to visit each enrolment station jointly with the IC representatives for identification and enrolment of beneficiaries and issue of Smart cards.*

[27] *Bardhaman, Murshidabad, Uttar Dinajpur, Dakshin Dinajpur, Paschim Medinipur and Jalpaiguri selected through random sampling method. The district of Alipurduar was created from 25 June 2014 after bifurcation of Jalpaiguri district. RSBY operations for the new district were continued from the Jalpaiguri for some time even after its bifurcation.*

Audit Findings

3.2.1 Coverage of beneficiaries

As of June 2017, the GoI considered i) the people belonging to the Below Poverty Line (BPL), ii) Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) Job Card Holders and iii) Handloom Weavers (from 2016-17) as eligible beneficiaries under the RSBY scheme in West Bengal. As per the guidelines of RSBY as well as the agreements executed between the Insurance Companies (ICs) and the SNA, enrolment of the beneficiaries was to be undertaken by the ICs. During the enrolment period, the ICs were to enrol and issue Smart cards to the BPL beneficiaries with the help of Accredited Social Health Assistant (ASHA) workers. The enrolment was to be done at the enrolment station/ village level based on the soft data on beneficiaries provided by the SNA. Further, the enrolment process was to continue at the designated centres even after the enrolment period was over to provide smart cards to the remaining beneficiaries. The enrolment process was to be repeated every year. The ICs in consultation with the State Government/ Nodal Agency were to chalk out the enrolment cycle up to the village level. During enrolment, a Government official was to identify the beneficiaries in presence of the insurance representative.

Scrutiny of records of the District Nodal Offices of the six test-checked districts as well as State Nodal Agency (SNA) relating to enrolment of RSBY beneficiaries during 2012-17 indicated the following:

3.2.1.1 Progress in enrolments

The main objective of the scheme was to i) provide the enrolled beneficiaries with a health insurance cover and ii) to protect them from the financial shocks arising out of emergency medical situations. This meant that adequate coverage of beneficiaries through enrolment was a top priority.

Audit scrutinised the records and the following came to notice.

Table 3.3: Status of enrolment in test-checked districts

Sl. No.	Audit findings
1	No enrolment was done in three municipalities[28] in Bardhaman district by the National Insurance Company for the policy period subsequent to April 2014. Consequently, 71,251 beneficiaries were deprived of the intended benefits of the scheme.
2	In Jalpaiguri District, three blocks[29] had registered substantially low enrolment percentage (31 to 35 *per cent*) for the policy period subsequent to March 2015. DNO, Jalpaiguri attributed the low enrolment to old database, lack of adequate service providers and non-availability of private hospitals with adequate facilities. It was further informed that this led to lack of interest among the beneficiaries in the scheme.
3	In Murshidabad district, the TPA (who was to act as an intermediary) engaged for the enrolment works, failed to work in a proper and systematic manner[30]. As such, higher rate of enrolment was not achieved. Further, sufficient number of enrolment kits were not provided. It was found that majority of the kits had technical problems.

Source: Records of concerned DNAs

[28] *Jamuria, Asansol and Raniganj.*
[29] *Raiganj (30.94 per cent), Moynaguri (34.92 per cent) and Sadar (34.87 per cent).*
[30] *Through preparation of enrolment plan/ conducting Information Education Communication (IEC) activities/ ensuring authentic identification of beneficiaries during enrolment, etc.*

3.2.1.2 Discontinuation of enrolment process for various periods

Under RSBY, enrolment of beneficiaries was to be carried out as a continuous process. As per RSBY guidelines and the last Memorandum of Understanding (MoU) signed between the SNA and Insurers, the period of insurance contract was for three years, subject to yearly renewal. In the test-checked districts, the last round of enrolments concluded during March 2014 to February 2015. However, after the end of the respective original policy periods[31], all the contracts were extended up to March 2017 on *pro-rata* premium basis. This resulted in stopping of fresh enrolments in the test-checked districts for various periods ranging upto three years (from May 2014) in anticipation that a new scheme would be introduced.

In reply, SNA, RSBY stated (March 2017) that no further enrolment was allowed by GoI after March 2015, as it was decided by GoI to roll out a new scheme in place of RSBY. It was further stated that GoI had not permitted SNA to go for new enrolment following selection of new ICs. The reply was not acceptable as the SNA had not given any specific proposal to GoI for conducting fresh enrolment. Further, in a meeting regarding status of implementation of RSBY held (February 2016) between the GoI and the States, fresh enrolment was permitted by GoI for the existing approved categories of RSBY for auto renewal.

Moreover, GoI directed (April & May 2017) the GoWB to continue with the selection of ICs as well as fresh enrolment of beneficiaries under RSBY on expiry of the RSBY policy on 31 March 2017. GoWB selected National Insurance Company and New India Assurance Company as IC for 14 districts and seven districts respectively from May 2017 through e-tender. The newly selected ICs commenced operation in 13 districts. However, new enrolment was not started.

The SNA, RSBY later stated (June 2017) that every endeavour was being taken to prepare the list of beneficiaries based on the eligibility criteria of RSBY. Once the list was finalised, new beneficiaries would be enrolled shortly.

3.2.1.3 Non-extension of the coverage of RSBY to new categories of beneficiaries

GoI, since the introduction of RSBY in 2008-09, had extended the benefits of the scheme to other categories of people as well. The categories included street vendors, *beedi* workers, domestic workers, building and other construction workers and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers. In July 2013, GoI decided to further extend the coverage to some other categories[32]. Detailed guidelines for extension of the coverage *viz*., identification, registration and funding pattern were spelt out.

For closer co-ordination, State Level Implementation Committee (SLIC) was constituted (December 2013) with representatives from various line

[31] *During March 2015 to February 2016*
[32] *Rickshaw pullers, rag pickers, mine workers, sanitation workers and auto rickshaw/ taxi drivers.*

departments[33]. Apart from the first meeting[34] in May 2014, no subsequent meeting of SLIC was convened. These categories of beneficiaries were not covered under the scheme till the date of audit (May 2017).

In reply, SNA stated that due to non-submission of relevant database within the stipulated time by the concerned departments, those categories were not included as beneficiaries of the scheme. The reply was indicative of laxity of the line departments coupled with failure of the SNA to follow up the matter effectively. As a result, extension of health security cover to other marginalised categories of unorganized workers was not achieved.

3.2.2 Information Education Communication (IEC) activities

3.2.2.1 Inadequate IEC activities by the ICs

The IEC activities aimed at generation of awareness among various categories of targeted groups of beneficiaries prior to enrolment rounds. The District Key Managers (DKMs) concerned were to ensure effective IEC activities by the ICs and extend all possible support in this regard.

As per the Operational Manual for RSBY, the IC should ensure that the beneficiaries were made aware of benefits of the scheme adequately[35]. As per the agreements with State Nodal Agency, the ICs were to prepare and implement a communication strategy in consultation with SNA. The Insurers were also required to share a draft IEC plan with the Nodal Agency within 15 days of signing of the contract.

Scrutiny of RSBY records in the test-checked districts showed that no such IEC plan had been forwarded by the ICs to the District Key Managers (DKMs). Further, no detailed year-wise IEC micro-planning had been shared with the DKMs.

During extension of policy period[36], GoI directed[37] the State to ensure that the respective ICs had conducted adequate IEC activities regarding extension of policy periods. A certificate in this regard was to be submitted by the State, while submitting requests for release of the Central share of the premium. Records of test-checked private (18) and Government (16) hospitals showed that no IEC activity was undertaken by the respective ICs in the hospital premises during the audit period. There was nothing on record to indicate any action initiated by the DKMs for laxity of the ICs.

There were no records available at the State/ district level regarding IEC activities undertaken by the ICs during the period of audit. As such, how the RSBY authorities satisfied themselves of the adequacy of IEC activities undertaken by the ICs, could not be ascertained in audit.

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[33] *Health & Family Welfare, Labour, Panchayat & Rural development and Transport & Municipal Affairs departments.*

[34] *As a pilot for convergence in implementation of Major Social Security Schemes for Unorganised Workers in West Bengal.*

[35] *Through village level meetings, wall paintings, display of IEC materials, house-to-house distribution of leaflet/ slip in vernacular, loudspeaker announcement, etc.*

[36] *i.e. while extending the policies beyond the original period on pro-rata premium basis up to March 2017 (as discussed in para 3.2.1.2).*

[37] *March 2015, September 2015 and March 2016.*

3.2.2.2 Irregularities in supply of IEC materials to the districts

For successful implementation of any scheme, effective dissemination of relevant information to the target group forms an essential component. In June 2012, State Nodal Agency[38] decided to distribute banners, posters, etc. to relevant administrative institutions, hospitals, offices and nodal points of interior areas of each district. A private agency was selected through tender for supply of materials[39] for IEC activities under RSBY in different districts. Accordingly, 88,924 banners (General Banner, Response Elicit Banner, MGNREGA Banner) and 63,00,520 stickers worth ₹ 4.43 crore were supplied by the agency. These were forwarded to 15 different districts of West Bengal. Scrutiny of records of the offices of the SNA and the DNOs in the test-checked districts revealed the following:

- ***Non-printing of posters:*** Posters envisaged to be supplied to different institutions[40] for effective IEC activities were not printed at all.
- ***Non-supply of material to Dakshin Dinajpur:*** No IEC material was forwarded to Dakshin Dinajpur district. The DNO, Dakshin Dinajpur also confirmed this.

In reply, SNA attributed non-printing of posters to absence of any requisition from the districts. It was also stated that the Dakshin Dinajpur District authorities had not communicated requirements for IEC materials. The reply was not tenable because the SNA asked the district authorities to indicate different[41] spots and places for IEC activities only. The types and quantities of the different IEC materials (*i.e.* banners, posters, stickers, etc.) had not been called for. The requisitions received from the district authorities contained numerous spots[42] earmarked for posters. Moreover, it was the responsibility of the SNA to ensure adequate IEC activities in the district.

3.2.2.3 Irregularities in maintenance of records relating to IEC materials

The following irregularities in maintenance of records relating to IEC materials were noticed:

- In Bardhaman district, stock registers were not maintained for the entire period of audit. As such, Audit could not verify actual receipt of banners and stickers worth ₹ 43.98 lakh sent to Bardhaman district by the SNA.
- Challans for supply of banners and stickers to Paschim Medinipur district were furnished by the SNA. The stock register was, however, not furnished by the district authority for the entire period of audit.
- In Bardhaman district, no RSBY related Cash Book was found for the period from April 2012 to December 2013. Similarly, in Uttar Dinajpur district, no cashbook prior to 20 June 2014 was found. In absence of

[38] *The Directorate of Employees State Insurance Scheme*

[39] *General Banner (GB), Response Elicit Banner (RE), MGNREGA Banner and stickers.*

[40] *Namely, Health Sub-centres, ICDS, High Schools, Jr. High Schools, MSK, SSK, Ration shops, etc.*

[41] *As the Banners were to be placed in District HQ, Sub-Division, Block, GP, Rural Hospital, BPHC, Health Centre, Nodal Railway Stations, Key Highway Points and Samsad while the posters were required for Health Sub-centre, ICDS, High School, Jr. High School, MSK, SSK and Ration shops.*

[42] *For **Murshidabad** district, Health Sub-centre: 832, ICDS: 8516, Pry. School: 3172, High & Jr. High School: 856, MSK: 202, SSK: 1582 and Ration shop: 1370.*
*For **Paschim Medinipur** district, Health Sub-centre: 858, ICDS: 9009, Pry. School: 4200, High & Jr. High School: 746, MSK: 232, SSK: 2459 and Ration shop: 1434.*

Cash Book, the expenditure incurred on account of IEC materials could not be ascertained in audit.

Thus, there was laxity on the part of the district authorities of Bardhaman, Uttar Dinajpur and Paschim Medinipur in maintaining basic records relating to RSBY.

3.2.3 Settlement of claims

The hospitals, both private and public, were to raise daily claims to the Insurance Companies for all the beneficiaries treated and discharged under RSBY. As per the agreements with the State Nodal Agency, the Insurers were required to complete settlement of claims within one month from the date of receipt. In case of rejection of a claim, the same was to be communicated[43] to the hospital within one month. Further, the GoWB directed (February 2016) the ICs to pay one *per cent* of the claim amount for every fortnight of delay beyond 30 days in settling the claims.

The SNA stated that there were no pending claims of the districts for the period 2012-13 to 2015-16. In this regard, records of the six DNOs of test-checked districts alongwith some hospitals/ nursing homes were test-checked. During test-check several instances of claims remaining outstanding, as discussed in the subsequent paragraphs, were noticed.

3.2.3.1 Outstanding claims

Test-check of records of the selected health service providers in three test-checked districts[44] showed that several claims raised by the health service providers remained unsettled for long. Repeated pursuance by the hospital authorities with the ICs and the District Grievances Redressal Committees (DGRCs) failed to overcome the impasse as detailed in **Table 3.4**.

Table 3.4: Position of outstanding claims in test-checked districts

Sl. No.	Audit findings	Impact
1.	The DNO, RSBY, Murshidabad intimated (May 2017) that 513 claims worth ₹ 27.35 lakh were pending for settlement. Scrutiny, however, showed that actually 2,265 claims worth ₹ 1.18 crore for 2014-16 remained unsettled till the date of audit. In reply, DNO Murshidabad stated that during 2014-15, the RSBY portal was offline. Besides, there was communication gap between the IC/ TPA and the nursing homes regarding uploading of data. This resulted in pendency of claims. The claims for 2015-16 were pending due to other technical reasons. The DNO also attributed such delays to delaying tactics and non-compliance on the part of the Insurance Companies/ TPAs.	These instances indicated that there was a need of introducing a suitable redressal mechanism to identify and expeditiously settle long outstanding claims.
2.	In Paschim Medinipur district, 428 claims worth ₹ 17.35 lakh pertaining to 2015-16 and 430 claims worth ₹ 12.76 lakh relating to 2016-17 raised by the hospitals remained unsettled till the date of audit (May 2017). Such pendency in settlement of claims were attributable to inter district claims and non-uploading of the claims by the hospitals due to server problem.	
3.	In Dakshin Dinajpur, outstanding claims in respect of two inactive private hospitals and one functional hospital pertaining to the period 2014-16 stood at ₹ 9.05 lakh. In February 2016, H&FW Department advised the DGRCs to impose penalty of ₹ 25,000 per decision for the first month and ₹ 50,000 per month thereafter on the IC/ TPA for non-settlement of long outstanding claims. However, neither any such penalty was imposed nor the matters were referred to State Grievances Redressal Committee (SGRC). The DNO, Dakshin Dinajpur, however, stated that there was no pending claim in the district.	

Source: Records from DNAs and data obtained from server

[43] *Informing that it could, if required, appeal to the District Grievances Redressal Committee.*
[44] *Murshidabad, Paschim Medinipur and Dakshin Dinajpur.*

3.2.3.2 Outstanding inter-District and inter-State Claims

The inter-IC Claims within a State were to be shared[45] amongst all ICs in a meeting convened at the State Nodal Agency every month (preferably in the first week). Similarly, inter-IC Claims outside the State were to be shared amongst all ICs in the National Nodal officer (NaNO) meetings convened at the GoI/ Ministry every month. In both the cases, the claims should be settled within the next 30 days of such sharing. While SNAs should review these claim settlements on a monthly basis and ensure compliance to the timelines, Ministry would review the settlements at the NaNO meeting.

Test-check of records disclosed the following:

- Out of total pending claim of ₹ 10.31 lakh for the year 2014-15 for Dhulian Nursing Home in Murshidabad, ₹ 9.01 lakh pertained to Inter State Claims. The Nursing Home Authorities had repeatedly taken up these cases with the IC[46] as well as the DGRC. The same, however, remained unsettled till the date of audit. The IC stated that it had stopped releasing payments for claims[47] lodged under RSBY due to non-receipt of premium from Government.
- In Bardhaman, 669 inter-district claims worth ₹ 42.55 lakh remained unsettled since 2014-15. Consequently, the service to the inter-district RSBY patients in Bardhaman district was affected.
- In the DGRC meeting (July 2016) of Paschim Medinipur district, private hospitals raised the issue of non-settlement of inter-district claims. These hospitals were informed by the DNO that the TPAs of the respective districts were to settle the cases. However, in an earlier DGRC meeting (May 2016) the concerned TPA had intimated that it had nothing to do with the TPA of other district.
- It was noticed that a large number of patients from the adjacent districts and states came to various hospitals of the State for treatment under RSBY. Majority of such claims raised in respect of those patients by the empanelled hospitals remained unsettled. Repeated pursuance by the hospitals with the ICs and DGRCs in this regard yielded very little or no result.

Thus, non-adherence to the Government orders and guidelines on time bound settlement of claims had led to accumulation of claims in the districts. The DGRCs had neither taken a firm stand on the ICs for settlement of the pending claims nor escalated the matters to SGRC level. The DGRCs did not impose any penalty on the defaulting ICs.

In reply, SNA stated that it had introduced day to day electronic monitoring through the web portal from March 2015. It further stated that 99 *per cent* of the claims[48] were settled within 30 days. Test-check of records of DGRC as well as of the hospitals/ nursing homes, however, revealed otherwise. As such, the claim of SNA, RSBY regarding timely settlement of claims was not acceptable. The SNA was silent about holding of meetings at SNA for

[45] *As per guidelines (July 2012) for settlement of claims of the hospitals under RSBY*
[46] *ICICI Lombard Insurance Company*
[47] *relating to inter-state claims*
[48] *including inter-insurance claims*

settlement of inter-district insurance claims. In respect of Inter State claims, it was stated that the same was monitored by the Central Government through NaNO meetings. However, information furnished to the GoI by the SNA on pending Inter State Claims was not intimated.

3.2.4 Performance of the Insurance Companies

3.2.4.1 Poor coverage of health care providers

Availability of empanelled hospitals in close vicinity was an important requirement for easy access of the beneficiaries to the health care providers. The overall responsibility for empanelment of Health Care Providers under RSBY was on the IC. In June 2014, GoI introduced mandatory performance evaluation criteria[49] for the ICs. Any proposal for extension/ renewal of policies was to be accompanied by requisite performance evaluation in appropriate format. It was prescribed that there should be at least two hospitals in each block. The failure to comply with such criteria would render the ICs ineligible under the scheme.

As of March 2017, 76 blocks/ municipalities[50] in five test-checked districts, either had no hospital or less than two empanelled hospitals. No action was, however, taken by the district and state authorities against the defaulter ICs till the date of audit.

It was, however, claimed by SNA that all eligible public and private hospitals in the districts were empanelled under RSBY scheme and there were no more eligible hospitals for empanelment.

The SNA did not explain the reason of absence/ shortage of hospitals in those blocks of test-checked districts.

As the health care services were not available in close vicinity, the population of those blocks/ municipalities were deprived of the benefits under the scheme.

3.2.4.2 Performance relating to settlement of claims

As per monitoring parameters to measure the performance of the ICs, if ten *per cent* of claims remained unpaid at the end of 30 days the IC would be charged five points. If such claims remaining unpaid were in the range between 10 and 25 *per cent*, the IC would be charged 10 points. Further, if the said parameter was in the range between 25 and 40 *per cent*, the IC would be charged 15 points.

Till the date of audit, neither the SNA nor the district authorities undertook any evaluation of the performances of the ICs as per the criteria stipulated by GoI. In a reply, the SNO stated that the evaluation process was underway. The percentage of claims remaining unpaid within the stipulated period of 30 days in the six test-checked districts ranged between 38 and 100 *per cent*. Details regarding settlement of claims in the districts are at ***Appendix 3.1***.

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[49] *The threshold limits were fixed as 5-7 points, 8-13 points, 14-21 points and 21 points and above. If the limits were exceeded, the ICs could be docked a percentage of the total premium amount. Even there were provisions for cancellation of renewals of the ICs and debarring them from bidding in subsequent years.*

[50] *Uttar Dinajpur: 10, Dakshin Dinajpur: 5, Paschim Medinipur: 21, Bardhaman: 25 and Murshidabad: 15.*

Scrutiny, however, showed that no action was taken either by the district or by the state authorities to impose penalty for poor performance till the date of audit. Reasons for such inaction was not intimated to audit, though called for.

This assumed significance in view of the fact that a number of private hospitals in the two test-checked districts had discontinued services under the RSBY. These hospitals attributed the same to unsatisfactory services of the ICs.

3.2.4.3 Non-recovery of refund of premium

The ICs were required to refund part of the premium if claim ratio (*i.e.* Claim paid/ Premium received) for the full period of insurance policy was less than 70 *per cent*. The refundable amount[51] would be equal to the difference between actual claim ratio and 70 *per cent* of the premium paid. The SNA would return proportionate central share to the Ministry once the premium was refunded by the IC. It was observed that during January 2015 to December 2016, the claim ratio in Kolkata and Uttar Dinajpur[52] district fell short of 70 *per cent*. As such ₹ 1.62 crore stood recoverable from the IC on this count. However, recovery[53] from the IC was awaited till the date of audit. In reply, the SNA stated that it had issued a letter to the concerned IC regarding refund of the amount. The IC, in turn, informed that the refund was in process.

3.2.5 Extension of facilities to the beneficiaries

3.2.5.1 Non-compliance by the IC

The objective of RSBY scheme *inter alia* stipulated that the beneficiaries would receive increased access to healthcare services. Test-check of records in selected districts revealed the following:

- There were 12 active Government hospitals and seven active private hospitals empanelled[54] under RSBY in Uttar Dinajpur. Out of these seven private hospitals, RSBY was running only in one private hospital. The other private hospitals were reluctant to provide RSBY facility. The reluctance was attributable to difficulties faced by them towards reimbursement[55] of claims. It was, however, noticed that the RSBY contract with the same IC was renewed in December 2016 in respect of those six hospitals. RSBY service, however, was not resumed in those hospitals. In January 2017, the DKM, RSBY, Uttar Dinajpur intimated the SNO that RSBY facility in the district was severely hampered due to the activities of the IC. He also requested to replace the existing IC with any other *bonafide* and reputed one. No further development was, however, forthcoming.

No penalty was imposed on the defaulting IC either by SNA or by DGRC. Thus, the RSBY programme was hampered due to non-compliance to the terms and conditions of service by the IC.

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[51] *Payable within 90 days from the end of the policy to SNA*

[52] *Claim ratios:* ***Kolkata (Round: II):*** *against general premium: 69.92 per cent and Pro rata extension: 42.85 per cent;* ***Uttar Dinajpur (Round IV):*** *against general premium: 68.65 per cent and Pro rata extension: 48.64 per cent. In both the cases M/s ICICI Lombard was the IC.*

[53] *despite lapse of more than 90 days from the end of the policy period*

[54] *As per information furnished by SNA, RSBY*

[55] *From the IC i.e. M/s ICICI Lombard*

- Nine Government hospitals[56] and eight private ones were empanelled for RSBY in eight Blocks/ Municipalities of Dakshin Dinajpur. Out of these eight empanelled private hospitals, only two[57] were functional and the rest were inactive for different periods. Test-check of records of two inactive private hospitals[58] revealed that they had long pending claims. The hospital authorities had expressed their grievances (May 2015) to the District Magistrate on the services of the concerned IC.

Thus, non-functioning of the private hospitals/ nursing homes in the district limited the scope of providing health care facilities to the RSBY beneficiaries of the district.

3.2.5.2 Inadequate infrastructural facilities in the empanelled hospitals

RSBY guidelines stipulated that hospital and other health facilities with desired infrastructure for inpatient and day care services needed to be empanelled[59]. The guidelines further stipulated that all Government hospitals[60] could be empanelled provided they had the facility to read and manage smart cards.

Information on availability of infrastructural facilities was available in respect of 99 BPHCs/ RHs of six test-checked districts empanelled under RSBY. Test-check of records and information furnished by the District authorities showed the following:

- Only four RHs[61] of Paschim Medinipur had facilities for caesarean delivery. All the remaining 95 health centres either did not have an Operation Theatre (OT) or had OTs for minor operations only.
- Only six Health Centres in Bardhaman and two in Paschim Medinipur, had specialised departments other than Gynaecology and General Medicine.
- Out of the above-mentioned 99 BPHCs/ RHs, 52[62] were the sole empanelled health care facilities in the respective blocks. Consequently, the RSBY beneficiaries had to travel large distances for proper treatment.

This restricted the scope of extending treatment for the beneficiaries.

3.2.6 Rogi Sahayata Kendras

Approved Programme Implementation Plan (PIP) of National Health Mission (NHM) stipulated setting up of Rogi Sahayata Kendras (RSKs) for dissemination of necessary and accurate information to patients and relatives. The RSKs were to be set up at Medical College Hospitals, District Hospitals, Sub-divisional Hospitals and State General Hospitals. In October 2014,

[56] *Balurghat DH, Gangarampur SDH and 07 RH/ BPHCs.*
[57] *Indian Red Cross Society at Balurghat and Life Care Nursing Home at Banshihari*
[58] *Sandhya Nursing Home and Diagnostic Centre at Gangarampur and Buniadpur Seba Sadan at Buniadpur*
[59] *After being inspected by qualified technical team of the IC or their representatives in consultation with the District Nodal Officer, RSBY and approved by the District Administration/ State Government/ SNA.*
[60] *including Primary and Community Health Centres*
[61] *Belda RH, Chandrakona RH, Belpahari RH, and Kharikamathani RH.*
[62] *16 BPHC/ RHs in Bardhaman, 6 in Uttar Dinajpur, 5 in Dakshin Dinajpur, 13 in Paschim Medinipur and 12 BPHC/ RHs in Murshidabad.*

the SNO, RSBY, allowed engagement of two Rogi Sahayaks (RSs) for RSK of all RSBY empanelled BPHC/ RHs of the State.

Scrutiny of functioning of RSKs in the six test-checked districts revealed the following:

- In Murshidabad district, no RS was engaged in 26 empanelled RH/ BPHCs. The same was attributed to non-availability of the Chairman of the selection committee[63].
- Despite directions of SNO, RSBY, no RS was engaged in 10 BPHC/ RHs[64] of Paschim Medinipur[65] and Bardhaman districts[66] till the date of audit. The reasons for same were neither forthcoming from the available records nor intimated to Audit.

Non-engagement of RSs led to impediments in extension of support to the RSBY beneficiaries in the BPHCs/ RHs of these districts.

3.2.7 Irregularities in utilisation of RSBY fund

As per operational guideline[67] for RSBY, all procurements, out of accumulated RSBY fund, were to be done through Store Management Information System (SMIS)[68]. The respective RSBY empanelled Government hospital would upload the quantum of RSBY fund at their disposal in the SMIS. On receipt of RSBY claim settlement amounts from the ICs, the same would be automatically entered[69] in the SMIS server. Moreover, expenditure for procurement of non-catalogue items should not exceed 30 *per cent* of the claim amounts fund received from the ICs.

Scrutiny of records in the test-checked public hospitals revealed the following irregularities in utilisation of RSBY funds:

- In five hospitals[70], no effort was made by the hospital authorities to enter the accumulated RSBY funds in the SMIS server. Thus, procurement of catalogue and non-catalogue items out of RSBY fund was not done through SMIS by these hospitals. One hospital[71] attributed the same to non-receipt of proper guidelines.
- In many cases, procurement of drugs and consumables for RSBY patients was made from outside medicine shops. Due to non-availability of medicines in store, some patients had to procure medicines from outside on reimbursement basis. In four test-checked hospitals, 12,946 RSBY patients[72] had to procure medicines worth ₹ 52.88 lakh[73] from outside during 2013-17.

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[63] *A selection committee, chaired by the Chairman of the ASHA selection Committee of the district, was to select NGOs to run the RSKs.*

[64] *Belpahari RH, Kharika Mathani RH, Mohanpur BPHC, Gopiballavpur RH, Tapsia RH, Bhangagarh RH, Binpur RH and Chilkigarh BPHC.*

[65] *BPHCs/ RHs empanelled during March – November 2014*

[66] *in Ramjivanpur BPHC*

[67] *Issued in August 2015 by the Strategic Planning & Sector Reform Cell, Health & Family Welfare Department.*

[68] *an online application used by the H&FW Department*

[69] *through the linkage of RSBY server with the SMIS server*

[70] *Balurghat District Hospital, Birpara SG Hospital, Kandi SD Hospital, Ghatal SD Hospital and Gangarampur SD Hospital.*

[71] *Birpara SG Hospital*

[72] *Out of 14,030 patients treated*

[73] *most of which had been reimbursed except for ₹0.54 lakh in two hospitals*

Thus, the basic objective of providing cashless treatment to the RSBY beneficiaries was not achieved in these hospitals.

3.2.8 Laxity in pursuance of rejected cases

In terms of RSBY guidelines, the beneficiaries were to be provided treatment free of cost for all ailments covered under the RSBY scheme. The Healthcare provider shall be reimbursed as per the package cost specified in the tender or as mutually agreed upon in case of unspecified packages. The Insurer was to ensure that the claim of the hospital was settled within a month[74]. In case a claim was rejected, the information[75] was to be sent to the hospital within a month. Insurer was to inform the hospital that it could prefer an appeal to the District and/ or State Level Grievance Redressal Committee, if felt necessary.

Scrutiny of records of three hospitals revealed that they did not take any initiative to settle rejected claims worth ₹ 94.19 lakh as detailed in **Table 3.5**.

Table 3.5: Details of rejection cases in three test-checked hospitals

Name of the hospital (date of empanelment)	No. of patients treated	No. of claims raised	No. of claims not raised	Value of claims raised *(₹ in lakh)*	No. of claims rejected	Value of claims rejected *(₹ in lakh)*	Reasons for rejection
Murshidabad Medical College & Hospital (January 2013 and February 2014)	18,856 since empanelment	15,933	2,923	537.30	1,266	40.68	• Admission for evaluation and diagnosis only; • Delay in uploading claims; • Zero balance claims; • Diagnosis not clear/ justified; • Eligibility of the claim could not be ascertained; • Query reply not received.
Jalpaiguri District Hospital (August 2012)	6,213 during 2015-17	6,213	Nil	145.51	1,207	36.37	
Alipurduar District Hospital (December 2013)	6,149 since empanelment	6,149	Nil	189.53	619	17.14	
		28,295	**2,923**	**872.34**	**3,092**	**94.19**	

Source: Records of the test-checked districts

The hospital authority never took up the matter of rejection with the DGRC for settlement of the claims.

In reply, Superintendent, Jalpaiguri District Hospital stated (June 2017) that action had been taken against the Rogi Sahayaks for negligence in settling the rejected claims.

[74] *on receipt of claim data by the IC or their representatives*
[75] *alongwith the claim rejection information*

3.2.9 Monitoring

3.2.9.1 Operations of DGRC

(a) Inadequate number of DGRC meetings: RSBY guidelines prescribed setting up of District Grievances Redressal Committee (DGRC) to redress grievances[76] under RSBY. Accordingly, the DGRCs, in different districts, were constituted (December 2013). The District Magistrates, District Key Managers (DKM)[77] and Chief Medical Officers of Health (CMOsH) of the respective districts were the Chairman, the member Convenor and one of the members of the committee respectively. The DGRCs were to meet once in every month for addressing the grievances in the respective grievances committees.

A substantial number of grievances[78] from the stakeholders were pending in some districts. Scrutiny of records revealed that against the norm of 234 meetings, only 34 meetings[79] of DGRC were held in the six test-checked districts during January 2014 to March 2017.

(b) Non-functional Redressal Management System: For ensuring disposal of complaints and grievances in an effective and time bound manner, "Central Complaint/ Grievance Redressal System" was designed (April 2012) by the GoI. The web based system required Nodal Officers/ Coordinators (to be designated by the SNA) at each level to respond to the queries/ complaints with corresponding entries in the web portal wherever required. After entry in the page, an automatic Unique Complaint Number (UCN) would be generated. The complaints would thereafter be transferred to the DGRC/ SGRC/ National Grievances Redressal Committee (NGRC) who would hear the parties and take decisions within 30 days.

Scrutiny, however, showed that the web window titled "Central Complaint/ Grievance Redressal System" was non-functional. None of the grievances in the six test-checked districts was routed through the web based portal. Consequently, the objective of monitoring the disposal of complaints and grievances in an effective and time bound manner was not achieved. The reasons were not intimated to Audit.

(c) Non-settlement of grievances within the stipulated period: It was stipulated in the Operational Manual for RSBY[80] that the DGRC would take a decision within 30 days of receiving complaint from aggrieved party. It was further stipulated in the Operational Manual that the escalation from DGRC to SGRC (and subsequently to NGRC) would happen, if the issue was not resolved within 30 days.

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[76] *As regards benefits to the beneficiaries, claims of the hospitals and functioning of the ICs and its agencies.*

[77] *ADM in charge of RSBY*

[78] *72 grievances in Jalpaiguri district and 308 in Dakshin Dinajpur district during the audit period.*

[79]

	2013-14	*2014-15*	*2015-16*	*2016-17*
Bardhaman	*01*	*04*	*05*	*02*
Murshidabad	*01*	*Nil*	*04*	*02*
Uttar Dinajpur	*01*	*01*	*01*	*04*
Dakshin Dinajpur	*Nil*	*Nil*	*02*	*01*
Paschim Medinipur	*Nil*	*Nil*	*02*	*02*
Jalpaiguri	*Nil*	*Nil*	*01*	*Nil*

[80] *As well as in the agreements between the SNA and the ICs*

It was noticed that 308 and nine grievances were raised by the hospital authorities of Dakshin Dinajpur district and Uttar Dinajpur district respectively in the DGRC meetings held during 2015-17. None of the cases were settled within the stipulated period of 30 days. It was further noticed that there were no recorded minutes for the three DGRC meetings held in Dakshin Dinajpur district. Consequently, the grievances and actions taken by the DGRC thereon in these meetings could not be ascertained by Audit.

3.2.9.2 Failure to conduct Medical Audits

The Secretary, H&FW Department and SNO, RSBY passed (February 2014) an order to constitute a medical Audit team[81] in each district to review implementation of RSBY in the district. It was advised by the Department that the DKMs and CMOHs should organise Medical Audit[82] in at least five hospitals per month.

Scrutiny of records relating to Medical Audit under RSBY in six test-checked districts showed that no Medical Audit was conducted till 2016-17 in Uttar Dinajpur, Dakshin Dinajpur and Jalpaiguri district. In Paschim Medinipur district, only two Medical Audits were conducted (one each in 2015-16 and 2016-17) whereas in Murshidabad district, only one Medical Audit was conducted. The inadequacy in conducting medical audits in contravention of the directives of the H&FW Department was indicative of a lackadaisical monitoring by the district authorities. The reasons for inadequate number of medical audits in the test-checked districts were not stated though called for.

3.2.9.3 Non-formation of State Coordinating Committee

As per agreements between the SNA and the ICs, a State Coordinating Committee for RSBY was to be set up to review performance under the Agreement on a periodic basis. No State Coordinating Committee was, however, notified by the SNA.

SNA stated that though such committee was not notified, monitoring meeting (though without formal minutes) with the ICs and TPA as well as consultation meets were conducted at regular intervals. SNA's claim to have reviewed the performances of the ICs, was, however, not acceptable. This was in view of instances of inadequate IEC activities, delayed claim settlement, non-levying of penalty on the ICs, non-refund of premium by the relevant ICs, etc.

3.2.10 Conclusion

A number of Below Poverty Line families had been brought under the coverage of health insurance under the Rashtriya Swasthya Bima Yojana. However, there remained much scope for improvement.

The State had not started covering new categories of beneficiaries targeted to be brought under the scheme. Coverage of the scheme was also adversely affected by deficient Information Education Communication activities.

The insurance companies fell short of the target of empanelling at least two hospitals in a block/ municipality. As many as 76 blocks/ municipalities in the five test-checked districts had either only one hospital or no hospital empanelled at all.

[81] *Headed by the Dy. CMOH –I of the respective district*
[82] *Based on the higher packages booked by hospitals as per the MIS report of SNA server*

Expeditious settlement of claims was crucial for successful implementation of health insurance scheme. However, the pace of settlement of claims by the insurance companies was unsatisfactory. Test-check revealed outstanding claims, especially those involving inter-District and inter-State settlements. The District Grievance Redressal Committees (DGRCs) had neither taken a firm decision on the insurance companies for settlement of the pending claims nor escalated the matters to the State Level Committee. No penalty was imposed by the DGRCs on the companies for under-performance. This assumes significance in view of the fact that a number of private hospitals in two test-checked districts had discontinued services under the RSBY attributing the same to unsatisfactory services of the Insurance Companies.

The poor RSBY patients had to purchase medicines from outside shops spending their own money. As a result, the basic aim of cashless treatment was not achieved.

As evidenced from the instances of inadequate number of DGRC meetings, non-functional Redressal Management System, etc., monitoring mechanism were not working.

The matter was referred to Government in September 2017; reply had not been received (February 2018).

WOMEN & CHILD DEVELOPMENT AND SOCIAL WELFARE DEPARTMENT

3.3 Avoidable expenditure on procurement of rice

District authorities of North 24 Parganas, Malda and Murshidabad procured 2.35 lakh quintal of Rice under Wheat based Nutrition Programme from outside agencies. The procurement was done at higher rates instead of lifting the same from FCI at cheaper rates. This had resulted in an avoidable expenditure of ₹ 43.19 crore during 2014-17.

Ministry of Women & Child Development, Government of India (GoI) introduced (1986) Wheat Based Nutrition Programme (WBNP) under the Integrated Child Development Scheme (ICDS). WBNP aimed at providing nutritious/ energy food to children below six years of age and expectant/ lactating women. Under this scheme, GoI allocated rice on a quarterly basis to the States through the Food Corporation of India (FCI) at Below Poverty Line (BPL) rates[83]. Women & Child Development and Social Welfare Department (Department), Government of West Bengal was responsible for implementation of the programme in the State. The programme was to be implemented through the district/ block level authorities[84]. As per benchmark fixed through the policy guidelines of the GoI, at least 70 *per cent* of the allocated rice was to be lifted by the State. The responsibility for ensuring that the allocations earmarked by the GoI did not lapse vested on the Department.

[83] *i.e. the subsidized rate at which food grains were sold to the Below Poverty Line population under the Public Distribution System.*

[84] *District Programme Officer (DPO), ICDS and District Magistrate of the concerned districts*

Appendix 3.1

(*Refer paragraph 3.2.4.2, page 97*)

Statement showing percentage of claims remaining unpaid within 30 days in the six test-checked districts

(Amount in ₹)

Period of policy	Total Claim		Total Paid		Total paid within 30 days		Total rejected		Percentage of claims unpaid within 30 days
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
Uttar Dinajpur district									
01.04.2015 to 30.09.2015	334	1751150	329	1717650	235	1085150	NA	NA	38
01.10.2015 to 31.03.2016	474	890539	455	844791	218	354952	NA	NA	60
01.04.2016 to 31.01.2017	3139	5978556	2940	5362270	883	1715774	NA	NA	71
01.02.2017 to 31.03.2017	623	1004998	507	802450	111	133050	NA	NA	87
Dakshin Dinajpur district									
01.04.2014 to 31.03.2015	9027	46709856	8855	45893229	NA	NA	NA	NA	NA
01.04.2015 to 31.03.2016	3881	13287206	3624	12129147	2423	7354010	NA	NA	44.65
01.04.2016 to 31.03.2017	7083	19576100	6238	17083183	1679	3801444	NA	NA	80.58
Jalpaiguri district									
01.04.2015 to 30.09.2015	9448	46153268	9292	45386842	3974	18964995			58
01.10.2015 to 31.03.2016	25546	110744548	23311	101841324	3897	16565023	NA	NA	85
01.04.2016 to 31.01.2017	22228	101326945	21224	98326393	7496	33924784	NA	NA	66
01.02.2017 to 31.03.2017	4420	19517265	4120	17835675	846	3572000			80
Paschim Medinipur district									
01.04.2015 to 30.09.2015	9164	57834316	9027	56876884	3771	22983558			60
01.10.2015 to 31.03.2016	20973	128492299	20789	127274283	3975	24066878	NA	NA	81

Period of policy	Total Claim		Total Paid		Total paid within 30 days		Total rejected		Percentage of claims unpaid within 30 days
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
01.04.2016 to 31.03.2017	28869	155931374	28664	154927632	7053	36787373	NA	NA	74
Bardhaman district									
01.04.2015 to 30.09.2015	28958	191850796	28195	186468518	18191	120275716	710	5066978	37
01.10.2015 to 31.03.2016	35363	221852003	34425	215710030	2127	9339670	930	6117973	94
01.04.2016 to 31.01.2017	67855	400235828	60420	355106972	34834	195418346	452	2120898	49
01.02.2017 to 31.03.2017	15966	93444215	14643	85819835	2037	11643162	313	1791606	86
Murshidabad district									
01.04.2015 to 30.09.2015	29515	195560633	28543	188647541	8860	57859378	NA	NA	70
01.10.2015 to 31.03.2016	38128	234895592	37416	231219047	48	268350	NA	NA	100
01.04.2016 to 31.01.2017	62834	377107682	48990	296086106	1853	10736045	NA	NA	97
01.02.2017 to 31.03.2017	10441	64042658	9943	61741159	1028	6302897	NA	NA	90

Source: Records of the District Magistrates of Murshidabad, Bardhaman, Paschim Medinipur, Jalpaiguri, Dakshin Dinajpur and Uttar Dinajpur