

**12 – 08 – 2023**

**News:** Irregularities in the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY).

- Recently, The **Comptroller and Auditor-General of India's (CAG)** performance audit report flagged irregularities in the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY).

### **Issues Highlighted By CAG**

#### **Treatment of Dead Patients**

- The **patients** earlier shown as “dead” continued to avail treatment under the **scheme**.
- The **maximum number** of such cases was in Chhattisgarh, Haryana, Jharkhand and minimum numbers of such cases were from Andaman & Nicobar Islands, Assam and Chandigarh.
- **88,760 patients** died during treatment specified under the Scheme. A total of **2,14,923 claims** shown as paid in the system, related to fresh treatment in respect of these patients.

### **Unrealistic Household Sizes**

- There are instances where the registered household sizes were unrealistically large, ranging from 11 to 201 members.
- Such discrepancies suggest a lack of proper validation controls during the beneficiary registration process.

### **Pensioners Availing Benefits**

- Pensioners in certain states were found to possess PMJAY cards and were availing treatment under the scheme.
- Delayed actions to remove ineligible beneficiaries from the scheme led to ineligible individuals receiving benefits under the PMJAY.

### **Bogus Mobile Number and Aadhaar**

- It revealed that some beneficiaries were registered with a single bogus mobile number, potentially compromising the verification process.
- Similarly, some Aadhaar numbers were linked to multiple beneficiaries, raising questions about proper verification.

## **Systemic Failures**

- CAG's report unearthed systemic issues, including private hospitals performing public hospital-reserved procedures, infrastructural inadequacies, equipment shortages, and medical malpractice cases.
- Absence of adequate validation controls, invalid names, unrealistic date of birth, duplicate PMJAY IDs.
- In several States and UTs, the available equipment in empanelled hospitals was found to be non-functional.

## **Pending Penalties**

- The report flagged pending penalties of Rs 12.32 crore from 100 hospitals across nine states.

## **Issue of data collection in the Scheme**

- It is possible that some random ten-digit number was entered by the field level workers in some cases.
- Further, necessary changes have been made in the current IT portal used by the National Health Authority (NHA) to capture only valid mobile numbers, in case the same is possessed by the beneficiary.

# Ayushman Bharat Pradhan Mantri Jan Arogya

## Yojana (AB PM-JAY)

- Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) is a **flagship scheme of the Indian government's National Health Policy** which aims to **provide free health coverage at the secondary and tertiary level** to its bottom 40% poor and vulnerable population.
- PM-JAY is the world's largest and fully state sponsored health assurance scheme which covers a population of the combined size of USA, Mexico and Canada. It was launched in September 2018, under the aegis of **Ministry of Health and Family Welfare** in India.
- It provides a **cover of 5 lakh per family per year** for medical treatment in **empanelled hospitals, both public and private.**
- **It provides cashless and paperless service to its beneficiaries** at the point of service, i.e. the hospital.
- **E-cards are provided to the eligible beneficiaries** based on the deprivation and occupational criteria of Socio-Economic Caste Census 2011 (SECC 2011).
- There is **no restriction on family size, age or gender.**
- **All previous medical conditions are covered under the scheme.**

- It covers 3 days of hospitalization and 15 days of post hospitalization, including diagnostic care and expenses on medicines.
- The scheme is portable and a beneficiary can avail medical treatment at any PM-JAY empanelled hospital outside their state and anywhere in the country.
- The Central government has decided to provide free testing and treatment of Corona virus under the Ayushman Bharat Yojana.
- The expenditure incurred in premium payment will be shared between Central and State Governments in a specified ratio. The funding for the scheme will be shared – 60:40 for all states and UTs with their own legislature, 90:10 in Northeast states and three Himalayan states of Jammu and Kashmir, Himachal and Uttarakhand and 100% Central funding for UTs without legislature.
- It will be administered by newly created National Health Authority. NHA will be chaired by Union Health Minister with NITI Aayog as its administrative body.
- School Health Ambassador Initiative is one of the important aspects of Ayushman Bharat Programme. 2 teachers from each govt. school will be identified as Health and Wellness Messengers.
- Pradhan Mantri Swasthya Suraksha Nidhi funds are utilized for the implementation of Ayushman Bharat.

## Comptroller & Auditor General (CAG)

- Articles 148 to 151 talks about the Comptroller and Auditor General of India.
- CAG is appointed by the **President by a warrant under his hand and seal on the recommendation of Prime Minister.**
- The **CJI, Judges and the Comptroller and Auditor General of India subscribes to oath before the president of India, with the same sentences used.**
- The **constitution does not prescribe any term of office of CAG.**
- The **Comptroller and Auditor General (Duties, Powers and Conditions of Service) Act, 1971** provides that CAG holds the office for a period of **6 years or upto the age of 65 years.**
- The CAG is **ineligible for reappointed on any government office** once his term is over.
- Constitution **doesn't prescribe anything about the qualifications** to be possessed by the CAG.
- Salary of the CAG is charged out of **Consolidated Fund of India** and after appointment, his salary can't be varied to his disadvantage.
- His salary and other service conditions are **determined by the Parliament.** His salary is **equal to that of a judge of the Supreme Court.**
- The administrative expenses are also charged on Consolidated Fund of India.

- The CAG can only be removed after passing a removal motion similar to those of Supreme Court Judges.

## **Powers**

- **Head of Indian audit & account department** & Chief guardian of Public purse.
- CAG audits the accounts related to **Consolidated Fund of India, Consolidated Fund of All states & UT's having a legislative assembly.**
- He audits **all accounts related to Public Account of India & States, Contingency Fund of India & States.**
- He is the **external auditor of all companies whose at least 51% shares are held by Union Government / subsidiaries of existing government companies.**
- He submits the **report relating Centre to President, who shall place it before the houses of Parliament and report relating States to respective governors, who shall place it before state legislature.**
- In addition to the **legal and regulatory audit**, the CAG can also conduct the **propriety audit.**
- He **ascertains and certifies the net proceeds of any tax or duty (Article 279).** His certificate is **final.** The 'net proceeds' means the proceeds of a tax or a duty **minus the cost of collection.**

## **Various Judgments regarding powers of CAG**

### **Arvind Gupta Vrs. Union of India (2013): Powers of CAG to Conduct Performance Audit**

- In this case, decided by the Supreme Court, the Petitioner submitted that CAG of India has no power to give performance audit report and the provisions in the Regulations of audit and accounts, 2007 framed under the CAG (DPC) Act, 1971 empowering the CAG to conduct performance audit is violative of the Constitution.
- The Supreme Court held that the CAG's functions to carry out an examination into the economy, efficiency and effectiveness with which the Government has used its resources, is in-built in the 1971 Act.
- Performance Audit Reports prepared under the Regulations have to be viewed accordingly. The Court observed no unconstitutionality in the Regulations.

### **Reghu Nath Kelkar Vrs. Union of India and others in The High Court of Bombay (2009) Powers of CAG regarding time, scope and extent of audit**

- In this case, decided by the High Court of Bombay, an allegation was made about the failure of the CAG to conduct a comprehensive audit.
- The Court considered the scope of Section 23 of the CAG (DPC) Act.



- The Court observed that the time, scope and extent of the audit are all matters which falls within the jurisdiction of the CAG and is not a matter on which Court ought to tread.

**National Dairy Development Boards Vrs. CAG of India in The High Court of Delhi (2010)**

- In this case, decided by the Delhi High Court, the powers of the CAG to conduct audit under section 14, 15 and 19 of the CAG (DPC) Act was considered
- CAG Act is a Special Act as distinguished from a General Act.
- CAG's power to audit under Section 14(1) can be curtailed, conditional or even prohibited under any law applicable to the Body or authority.
- Section 14 (2) is an independent section that will apply once the conditions mentioned in the said Section are satisfied and the fact that the body or authority cannot be subject to audit under Section 14 (1) is irrelevant.
- Section 15 confers the power to undertake scrutiny of the accounts/records of the sanctioning authority to ensure that proper procedure was followed while sanctioning any grant/loan.

- Section 15 and Section 14 (2) are independent sections and come into operation when the preconditions mentioned therein are satisfied. Section 15 cannot be read to override Section 14 (2) or vice-versa.

**Arun Kumar Aggarwal vs. Union of India in the Supreme Court of India (2013) –  
CAG Audit Report as a basis for grant of relief or initiating action**

- In this case, the Supreme Court considered, whether a CAG Audit Report by itself can be accepted by the Court to grant relief or as a basis for initiating action.
- The Court held that CAG's Report is always subject to scrutiny by the Parliament and it is for the Parliament to decide whether after receiving the report to make its comments on the CAG's report.
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