

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:1019
ANSWERED ON:30.07.2010
PILOT PROJECT FOR PROCUREMENT OF CGHS MEDICINES
Singh Shri Dhananjay

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) the details of the Pilot Project for the procurement of medicines launched by the Government recently alongwith its findings thereof;
- (b) whether the cases of corruption have come to the notice of the Government after launching of the pilot project;
- (c) if so, the details thereof and the action taken by the Government thereon;
- (d) the details of the sources from where CGHS has been procuring medicines for beneficiaries and the companies involved in the supply of the medicines alongwith the value of purchase made from each of them during the last three years;
- (e) whether any centralized agency is involved in this process;
- (f) if so, whether the expenditure being incurred on the pilot project for procurement of medicine is much more than the earlier procedure of indenting the medicine; and
- (g) if so, the comparative details thereof for the last two years?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEALTH & FAMILY WELFARE (SHRI GHULAM NABI AZAD)

- (a) Under the pilot project, 272 commonly prescribed drugs are being procured directly by CMO In-charges of Wellness Centers on the monthly requirement basis from the manufacturers on about 25% discount on MRP. Under the project Wellness Centers are to keep one month stock as buffer. The project was started as a pilot project in 10 computerized wellness centers in September, 2008. Gradually the project was extended to all the computerized Wellness Centers of Delhi and subsequently in CGHS Mumbai, Kolkata, Nagpur and Chennai. The project has increased the availability of drugs in Wellness Centers and hence drugs are available immediately in contrast to local indent from chemist where drug is available after one or two days and at lesser discount (Average discount is about 12% plus VAT). A study has been conducted by Ministry of Finance which reveals that there are financial savings on procurement through this system and has recommended extension of project.
- (b) No.
- (c) Does not arise.
- (d) The drugs are being procured from the manufacturers. Name of the companies and value of purchase from each during the period 2008-09 (since September 2008 and 2009-10 is annexed (Annexure-I).
- (e) Medical Store Depot, CGHS.
- (f) No, the expenditure being incurred on the pilot project for procurement of medicines is not more than the earlier procedure of indenting the medicines.
- (g) The comparative details for the last two years is annexed at Annexure-II.