

PROCUREMENT OF ALLOPATHIC DRUGS IN CGHS

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their 22nd Report (16th Lok Sabha)]

MINISTRY OF HEALTH AND FAMILY WELFARE

**PUBLIC ACCOUNTS COMMITTEE
(2016-17)**

FIFTY-SECOND REPORT

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

PAC NO. 2085

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PUBLIC ACCOUNTS COMMITTEE
(2016-17)

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**PROCUREMENT OF ALLOPATHIC DRUGS IN
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MINISTRY OF HEALTH AND FAMILY WELFARE



Presented to Lok Sabha on:

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**LOK SABHA SECRETARIAT
NEW DELHI**

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**Not appended to the cyclostyled copy of the Report*

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2016-17)**

Prof. K.V. Thomas - Chairperson

MEMBERS

LOK SABHA

2. Shri Sudip Bandyopadhyay
3. Shri Prem Singh Chandumajra
4. Shri Nishikant Dubey
5. Prof. Richard Hay
6. Shri Gajanan Chandrakant Kirtikar
7. Shri Bhartruhari Mahtab
8. Smt. Riti Pathak
9. Shri Neiphiu Rio
10. Shri Janardan Singh Sigrwal
11. Shri Abhishek Singh
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar C. Udasi
15. Dr. P. Venugopal

RAJYA SABHA

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20. Shri Shantaram Naik
21. Shri Sukhendu Sekhar Roy
22. Shri Ajay Sancheti

SECRETARIAT

1. Shri A.K. Singh - Additional Secretary
2. Shri S.C. Chaudhary - Joint Secretary
3. Shri T. Jayakumar - Director
4. Smt. Anju Kukreja - Under Secretary

* Elected w.e.f. 09.08.2016 vice Shri Vijay Goel, MP appointed as Minister of State w.e.f. 05.07.2016.

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2016-17), having been authorised by the Committee, do present this Fifty-second Report (Sixteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Twenty-Second Report (Sixteenth Lok Sabha) on 'Procurement of Allopathic Drugs in CGHS" relating to Ministry of Health and Family Welfare.

2. The Twenty-second Report was presented to Lok Sabha/laid in Rajya Sabha on 13 August, 2015. Replies of the Government to all the Observations/Recommendations contained in the Report were received. The Public Accounts Committee considered and adopted the Fifty-second Report at their sitting held on 8 September, 2016. Minutes of the sitting are given at Appendix I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

5. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Twenty-second Report (Sixteenth Lok Sabha) is given at *Appendix-II*.

NEW DELHI;
16 November, 2016
25 Kartika, 1938 (Saka)

PROF. K.V. THOMAS
Chairperson,
Public Accounts Committee

REPORT

PART - I

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations of the Committee contained in their Twenty-Second Report (16th Lok Sabha) on "Procurement of Allopathic Drugs in CGHS".

2. The Twenty-Second Report which was presented to Lok Sabha on 13th August, 2015, contained 16 Observations/Recommendations. The Action Taken Notes on all the Observations/ Recommendations have been received from the Ministry of Health and Family Welfare and are categorized as under:

- (i) Observations/Recommendations which have been accepted by the Government:

Para Nos. 1, 3, 4, 5, 6, 7, 9, 10, 11,12,13,14 & 15

**Total: 13
Chapter - II**

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

Para Nos. NIL

**Total: NIL
Chapter - III**

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para Nos. 2, 16

**Total: 2
Chapter - IV**

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies/no replies:

Para No. 8

Total: 1
Chapter -V

3. The Committee's examination of the subject 'Procurement of Allopathic drugs in CGHS' relating to the Ministry of Health and Family Welfare revealed several shortcomings in the procurement and distribution of medicines such as opting for commonly prescribed brands of drugs instead of identifying commonly prescribed drug composition, procurement of drugs not listed in the formulary, non-finalisation of procurement rates of drugs listed in the formulary, inadequate and incomplete drug formulary, delays in procurement of drugs, procuring higher priced branded drugs despite availability of low cost brands, branded drugs continue to be preferred over Generic drugs etc.

4. The Committee had accordingly given their Observations/Recommendations in the 22nd Report (16th Lok Sabha). The gist of important Observations/Recommendations as contained in the Report are given as under:

- (i) Ministry should formulate a comprehensive and more reliable policy for procurement of drugs in CGHS so as to ensure that the entire procurement process becomes more transparent.
- (ii) Ministry should ensure that all the CGHS Wellness Centres maintain their formularies and update them at regular intervals. The Committee had also emphasized the imperative need for regular inspections of the Wellness Centres as well as prompt action on the complaints/grievances received from CGHS beneficiaries on the matter.
- (iii) Stringent measures are needed for evolving an effective and transparent mechanism to keep an eye on the errant doctors.
- (iv) Earnest and concerted efforts should be taken to ensure speedy finalisation of procurement rates of drugs.

- (v) Ministry, in coordination with CGHS Wellness Centres should effectively implement the long-term measures for complete shift towards the procurement and distribution of Generic drugs.
- (vi) Ministry should consider the setting up of a strong on-line surveillance system as well as a team of inspectors with emphasis on surprise inspections of the Wellness Centres.
- (vii) The Committee had impressed upon the Ministry to carry out periodical inspections of manufacturers as well as the local chemists and exemplary action taken against them so that any possibility of supply of sub-standard medicines to the patients is eliminated.
- (viii) Periodical inspections of the stores of Wellness Centres should be done with a view to prevent the stockpiling of medicines and replacing the expired stock with the fresh one.
- (ix) Manufacture, supply and sale of spurious/adulterated drugs should be dealt with most stringent penalties.
- (x) The Ministry should conduct a study of the best health care systems and models in different countries both developed and developing countries and try to emulate them in order to ensure supply and availability of quality medicines at affordable prices in the country.

5. The Action Taken Notes furnished by Ministry of Health & Family Welfare in respect of all the Observations/Recommendations of the Committee as contained in their Twenty-second Report (16th Lok Sabha) have been reproduced in the relevant chapters of this Report. The Committee desire that Government should furnish final/conclusive action taken replies to the Recommendations for which interim replies have been furnished. The Committee will now deal with the action taken by the Government on some of their Observations/Recommendations made in their Twenty-second Report (16th Lok Sabha), which need reiteration or merit comments.

1. Shortcomings in procurement of medicines in CGHS
(Recommendation Para No. 2)

6. The Public Accounts Committee in their 24th Report (15th Lok Sabha) on "Procurement of medicines and medical Equipments" had deliberated upon various

shortcomings in the procedure of procurement of medicines/medical equipment and given observations/recommendations such as bringing in the Codified Purchase Manual, exploring the feasibility of doing away with the local purchase of drugs altogether, strengthening the Monitoring mechanism, initiating exemplary action against the errant doctors, codifying and adopting a defined process for annual updation of medicine selection and periodical revision of CGHS formularies in order to make the MSO corruption free and wipe out the menace of spurious/adulterated drugs etc. Upon noticing that though these recommendations were accepted by the Government, the shortcomings in the drugs procurement system in CGHS remained unresolved, the Committee exhorted the Ministry to urgently address the deficiencies pointed out and initiate the requisite and urgent measures so as to effectively resolve the shortcomings in the drugs procurement system in CGHS.

7. The Ministry of Health & Family Welfare in their Action Taken Note have stated as under:

"The views of the Committee are noted; and it is admitted that there is need to remove the perceived shortcomings in the procurement system of the CGHS."

8. In their 22nd Report (16th Lok Sabha) the Committee had exhorted the Ministry of Health & Family Welfare to urgently address the deficiencies pointed out in procurement/distribution of allopathic medicines in CGHS and initiate the requisite and urgent measures so as to effectively resolve the shortcomings in the drugs procurement system in CGHS. The Committee feel that the Ministry have furnished an evasive reply which merely states that the views of the Committee are noted. Although they have admitted that there is need to remove the perceived shortcomings in the procurement system of the CGHS, however, the reply is silent about the specific action taken by the Ministry to remove these shortcomings. This also clearly shows lack of urgency on the part of the Ministry to remedy the situation. Keeping in view the glaring lapses in procurement and distribution of drugs resulting in huge infructuous and avoidable expenditure, the Committee deplore the skewed approach on the part of the Ministry and desire to have a complete and detailed reply from them indicating the action taken within two months of presentation of this report.

**II. Opting for higher priced brands despite availability of low cost brands
(Recommendation No. 3)**

9. The Committee were concerned to note that test check by Audit of 21 cases in the branded drug formulary revealed availability of several low-cost brands in the same category of drugs. It was also found that even the discounted price of the selected brand was much higher than the MRP of other low cost brands available in the market. The Committee were utterly dismayed to find that the comparison of price of these 21 test checked brands with other brands of identical available drugs indicated that CGHS Delhi incurred avoidable expenditure of ₹ 9.25 crore during 2011-12 by opting for higher priced brands. However, the Committee had been assured by the Ministry that only L-1 (lowest priced) out of the tender for branded formulary would be considered and other brands of the same composition would not be purchased. While observing that still there was ample scope for further improvement in the procurement system, the Committee had impressed upon the Ministry to formulate a comprehensive and more reliable policy for procurement of drugs in CGHS so as to ensure that the entire procurement process becomes more transparent.

10. The Ministry of Health & Family Welfare in their ATN have stated as under:

"There are four channels for procurement of drugs for the CGHS as follows:

1. Pilot Project;
2. Procurement through MSO;
3. Procurement of Life Saving drugs through MSO, CGHS; and
4. Local purchase.

Details about these modes of procurement have been furnished to Lok Sabha Secretariat, PAC Branch vide this Ministry's Office Memorandum No. G.25011/1/2013-CGHS (P) dated 21st April, 2015.

There have been systematic improvements in all the above modes of procurement over a period of time and necessary changes have been incorporated therein e.g. procurement of drugs only at L-1 price, increase in reliance on procurement of generic drugs etc. Nevertheless, it is true that as in any other system, there is scope for improvement. Though CGHS suffers from shortage of trained staff yet attempts have been made to improve the system. Some examples are:

- i. Instructions have been issued to all Additional Directors about scientific estimation of demand through constitution of committees for this purpose.
- ii. Instructions have been issued to place indent on MSO on a quarterly basis rather than annual basis. This would provide more accurate assessment of requirement and also reduce the resources required for storage etc. This step

would also reduce the chances of drugs getting expired because of non-consumption.

iii. Under the pilot project, some medicines which were out of stock in the dispensary for various reasons were not reflected in the auto-generation of demands since there was no consumption of these out-of-stock items. Now, NIC has been instructed to include all items in the auto-generation of demand.

iv. MSO has been able to reduce the lead time for supply of medicines to various cities.

v. Within Delhi, distribution of drugs from MSD has been streamlined to ensure that stocks at each Wellness Centre are replenished on a monthly basis instead of earlier system of quarterly basis. In addition, Wellness Centre can obtain supplies from MSD on a 'need' basis. Also, the option of distributing drugs directly from the GMSD Delhi to the Wellness Centres is also being considered – this would eliminate the intermediate storage at CGHS's own MSD at Gole Market, New Delhi."

11. Upon noticing that the Ministry of Health & Family Welfare had opted for higher priced brands despite the availability of low cost brands in the market, the Committee had impressed upon the Ministry to formulate a comprehensive and more reliable policy for procurement of drugs in CGHS. In response thereto the Ministry have submitted that several steps such as issuing instructions about scientific estimation of demand through constitution of Committees, issuing instructions to place indent on Medical Stores Organisation (MSO) on a quarterly basis rather than annual basis, instructing NIC to include all items in the auto-generation of demand, reducing the lead time for supply of medicines to various cities etc. have been taken. Besides, within Delhi, distribution of drugs from Medical Stores Depots (MSD) has been streamlined to ensure that stocks at each Wellness Centre are replenished on a monthly basis instead of quarterly basis. Wellness Centre can also obtain supplies from MSD on a 'need' basis. Further, the option of distributing drugs directly from the Government Medical Stores Depot (GMSD) Delhi to the Wellness Centres is also being considered. The Committee are unhappy to note that the Ministry had failed to address the issue of formulating a comprehensive and more reliable policy for procurement of drugs inspite of issuing routine instructions. The Committee are of the view that in the absence of such a policy the lapses/shortcomings in procurement of drugs

would continue to recur. They, therefore, reiterate their earlier recommendation and desire to be apprised of the action taken thereon at the earliest.

**III. Doctors Prescribing drugs outside the formulary
(Recommendation No. 5)**

12. The Committee had observed that the doctors continue to prescribe drugs outside the formulary despite the adverse recommendations of the Parliamentary Committees. In order to keep check on the prescription pattern of doctors, the Committee in their 24th Report (15th Lok Sabha) had recommended that the monitoring mechanism be strengthened and exemplary action taken against the errant doctors, who frequently prescribe medicines outside the formulary. However, while not accepting the Action Taken Notes of the Ministry of Health and Family Welfare thereon, the Committee in their 84th Report (15th Lok Sabha) presented to Parliament on 30-04-2013 had further recommended to evolve a transparent and effective mechanism enabling the aggrieved patients to lodge their complaints against the errant doctors without fear or pressure so that more instances of malpractices are detected and large scale purchase of medicines outside the formulary is avoided. The Committee had desired to know the number of such cases detected in the Wellness Centres in the last 2 years following this recommendation. They had also desired that due explanation may be sought from those CGHS doctors who make prescriptions which are regularly at variance. It seems from the latest Audit observation on the subject that the recommendations of Public Accounts Committee were not properly addressed by the Ministry as prescribing expensive medicines by the doctors was continuing without any check. The Committee in their 22nd Report (16th Lok Sabha) had, therefore, reiterated that stringent measures for evolving an effective and transparent mechanism are needed to keep an eye on the errant doctors.

13. The Ministry of Health & Family Welfare in their Action Taken Note have stated as under:

"The status of computerization of allopathic and AYUSH Wellness Centres is at respectively. As far as prescription of medicines outside the formulary is concerned, it has already been submitted that it is not possible to restrict prescription only to the generic formulary because of the constant evolution of new drugs and their prescription by concerned specialists. It is also true that

revision of the formulary cannot be done so frequently so as to keep pace with the development of new drugs. It is also submitted that at the moment, CGHS does not have a formal system to know which doctor is prescribing drugs outside the formulary. This exercise would have to be done on manual basis and would be very time consuming even if resources for the same could be spared. The National Informatics Centre (NIC) had been approached to see whether such information could be retrieved from their database, but they have replied in the negative. However, NIC has given a list of doctors which have been indenting maximum amount of medicines in all CGHS cities. It is proposed to analyse the prescriptions and indents on a sample basis to assess whether any wrong doing has taken place and draw lessons for the future."

14. The Committee find that on the issue of prescribing drugs outside the formulary the Secretary, Ministry of Health & Family Welfare informed the Committee that the CGHS, Delhi had been computerised and the Ministry was able to identify as to which doctor had prescribed which medicine. The Committee had, thus desired that all the CGHS Wellness Centres across the country may be computerised expeditiously. From the Action Taken Notes the Committee observe that while the computerisation of all the 275 Allopathic Wellness Centres has been accomplished, the computerisation of 49 AYUSH Wellness Centres is still pending and according to the Ministry it will be taken up in the next phase. However, the reply is silent about the date as to when the next phase would be started and by what time it would be completed. Since the computerisation of Wellness Centres is essential to keep an eye on the errant doctors, the Committee desire that the Ministry may take urgent measures to computerise those 49 AYUSH Wellness Centres expeditiously.

Further, from the list of doctors which have been indenting maximum amount of medicines in all the CGHS cities, the Committee find that during the two years i.e. from 01.01.2014 to 31.03.2016, top ten doctors had prescribed medicines of more than ₹100 crore each in 23 cities, the Committee feel that it is tip of the iceberg and the figure could have been much larger for all the doctors in all the cities. Again, the reply neither reflect any punitive action taken against those doctors nor the Ministry had taken any stringent measures for evolving an effective and transparent mechanism to evade such practice as desired by the Committee. The Committee also cannot accept the Ministry's proposal to analyse

the prescriptions and indents on a sample basis to assess whether any wrong doing has taken place, as this does not reflect the true picture of malpractice until no effective mechanism is in place to check such menace. The Committee would, therefore, while reiterating their earlier recommendation now desire that the Ministry of Health & Family Welfare should take immediate necessary steps to effectively deal with such cases so as to keep check on the doctors prescribing expensive medicines which resulted large scale infructuous expenditure and undue benefits to the unscrupulous doctors.

IV. Procurement and distribution of Generic drugs
(Recommendation No. 7)

15. The Committee noted that many drugs are available in both Generic as well as Branded versions. Generic drugs are substantially cheaper than the Branded versions. In September, 2010 the Minister of Health and Family Welfare, while approving the revised formulary of Branded drugs, had expressed serious concern on prescribing of Branded drugs by doctors instead of Generic versions and directed for complete shift towards Generic drugs, within one year both in prescriptions and supplies. In order to promote Generic drugs, the Ministry, had revised in May 2011 Generic drug formulary from 818 to 1128 drugs. Director (CGHS) also inter-alia issued instructions to analyze and take necessary steps for better utilization of Generic drugs. However, there had not been tangible progress in the procurement and distribution of Generic drugs. The Committee had noted that during 2009-2012, the percentage of Generic drugs procured in Delhi was only 2 to 5 percent and in Bhubaneswar it was around 5 to 7 percent during the same period. Further, in major cities like Ahmadabad, Kolkata, Chennai and in Mumbai, the graph of percentage of Generic drugs procured had drastically come down from nearly 50 percent during 2009-10 to below 10 percent in 2011-12. The Committee deplored the laxity on the part of the Ministry and desired the Ministry to continue with appropriate corrective action taken in coordination with CGHS Wellness Centres to effectively implement the long-term measures for complete shift towards the procurement and distribution of Generic drugs.

16. The Ministry of Health & Family Welfare in their ATN have stated as follows:

"STATUS OF THE VARIOUS TENDERS FLOATED FOR THE GENERIC DRUGS BY MSO/GMSDs

(a) STATUS OF TENDERS FLOATED EARLIER:

Sr. No.	Tender No.	No. of items tendered	Responsive bids	Status of the Tender
1	Y.11011/11/2015 St-II/RE-05	410	273	Technical Evaluation under process.
2.	GMSD/HYD/Generic-1	402		Price bid for 250 medicines are qualified and technical evaluation committee meeting called for their consideration.
3.	GMSD/KOL/Gen-01	417		Price bid for 250 medicines are qualified and technical evaluation committee meeting called for their consideration.

(b) STATUS OF TENDERS FLOATED SUBSEQUENT TO FINALIZATION OF FORMULARY:

After the approval of the New Generic Formulary of 1165 molecules containing 2017 formulations, four more tenders were floated for a total of 1211 formulations/ compositions, which also include items for which quotations were not received in the above mentioned earlier tender enquiries but now included in the new Generic Formulary.

Sr. No.	Tender Enquiry No.	No. of items tendered	Status of Tender
4.	GMSD/HYD/EQ/2015-16/B/245/ dt 11.01.2016	242	Opened on 17.03.2016 and Technical Evaluation is under Process.
5.	GMSD/Mum/NEQ/2015-16/328 dt 11.01.2016	322	Opened on 06/04/2016 and Technical evaluation under process.
6.	GMSD/Hyd/EQ/2015-16/A/274 dt 11.01.2016	273	Opened on 26/04/2016 Technical evaluation under process.

7.	GMSD/Mum/UQ/2015-16/400 dt 11.01.2016	374	Due for opening on 17/05/2016
Total		1211	

Promotion of use of Generic Drugs

Following guidelines have been issued from time to time to by this Ministry for promoting the use of generic medicines :

- (i) Ministry of Health & Family Welfare has issued guidelines vide Office Memorandum No. H11013/4/2010-DFQC dated 19/5/2011 followed by a circular No. H-11013/7/2012-CGHS (P) dated 8/2/2013 and No. S-11011/16/2012-CGHS (P) dated 8/5/2015 emphasizing the need of prescribing generic drugs. All specialists/Doctors working in CGHS were directed to ensure that generic drugs are prescribed to the maximum extent possible with a view to make medical treatment cost effective and affordable.
- (ii) After detailed discussions with the specialists of the Dr RML Hospital & Safdarjung Hospital New Delhi, following instructions were issued vide O.M. No. 25-1/09-10/CGHS/MSD/CGHS (P) dt. 30.9.2009:
 - a. Specialists of these hospitals were advised to prescribe only those drugs which are available in the CGHS Wellness Centres, as far as possible , so that immediate availability of drugs to beneficiaries can be ensured.
 - b. Medicines available in CGHS Wellness Centres and having identical formulations and/or therapeutic values may be issued to the beneficiaries.
- (iii) Also, vide order No. S-11025/45/10-MH-I dt. 26.5.2010 all the Central Government Health Institutions under the Ministry of Health & Family Welfare were instructed that only good quality generic medicines must be provided. They were also instructed that whenever any branded drug was prescribed, it should invariably be mentioned that any other equivalent generic drug could also be provided.

However, multiple stakeholders are involved in this regard: CGHS beneficiaries, Medical Officers and Specialists - and it would be some time before switching over to a largely generic formulary. The general perception that generic medicines are sub-standard has to be overcome. There is need to educate beneficiaries as well as the medical fraternity to have faith in the generic medicines. There is often a perception to rely on tested and known brands. Therefore, it might take some time before beneficiaries and doctors are persuaded to depend largely on generic medicines."

17. The Committee note that in September, 2010 the Minister of Health and Family Welfare, while approving the revised formulary of Branded drugs, had directed for complete shift towards Generic drugs, within one year both in

prescriptions and supplies. Upon noticing that there had not been tangible progress in the procurement and distribution of Generic drugs, the Committee in their 22nd Report (16th Lok Sabha) had desired the Ministry of Health and Family Welfare to continue with appropriate corrective action taken in coordination with CGHS Wellness Centres to effectively implement the long-term measures for complete shift towards the procurement and distribution of Generic drugs. The Committee had also desired to be apprised of the findings of the Committee set up under DG (Health Services) and action taken thereon by the Ministry. The Committee are unhappy to note that the replies of the Ministry do not mention about the steps taken on these two aspects. Rather they have expressed that it might take some time before beneficiaries and doctors are persuaded to depend largely on generic medicines. The Committee regret to note that inspite of lapse of six years since the Minister's statement no concrete system has been put in place as yet by the Ministry to effectively deal with the issue of complete switch over towards the generic medicines. The Committee, therefore, recommend that the Ministry of Health & Family Welfare should take immediate necessary measures in consultation with other stakeholders for complete shift towards the procurement and distribution of Generic drugs. The Ministry should also establish an effective centralized mechanism to periodically monitor the quality of generic drugs so as to provide good quality generic drugs throughout the country. International benchmark may also be followed in this regard. The Committee further take serious note of the failure of the Ministry to apprise the Committee of the findings of the Committee set up under DG (Health and Services) and action taken by the Ministry.

Further, as regards the current status of finalisation of the rates of proposed 1165 drugs for inclusion in the Generic formulary, the Ministry submitted that technical evaluation of the tenders floated is under consideration and tenders for 374 molecules are due for opening on 17-05-2016. The Committee feel that in order to augment the procurement of generic drugs, Ministry should take earnest efforts for finalisation of rates of drugs and apprise the Committee of the same within two months of the presentation of this Report.

V. Management of Pharmaceutical Procurement Procedure
(Recommendation No. 16)

18. Keeping in view the several deficiencies in the management of pharmaceutical procurement procedure for procurement of allopathic drugs for CGHS, the Committee had urged the Ministry of Health & Family Welfare to plug the loopholes and take timely corrective action as suggested by them and recommended that the Ministry should strengthen their internal control system to check irregularities in procurement process and ensure procurement of good quality medicines at affordable prices in accordance with the canons of financial propriety. The Committee had also recommended that the particulars of the CGHS Wellness Centres performing well and those lagging behind may be furnished to the Committee and also placed in the Public domain periodically. The Ministry should also conduct a study of the best health care systems and models in different countries both developed and developing countries and try to emulate them in order to ensure supply and availability of quality medicines at affordable prices in the Country.

19. In their Action Taken Notes, the Ministry of Health & Family Welfare have merely submitted that the views/suggestions made by the Committee have been noted by them.

20. In Para 16 of their 22nd Report (16th Lok Sabha), the Committee had recommended that the Ministry should strengthen their internal control system to check irregularities in procurement process and ensure procurement of good quality medicines at affordable prices. The Committee had also recommended that the particulars of the CGHS Wellness Centres performing well and those lagging behind may be furnished to the Committee and also placed in the public domain periodically. The Ministry was also desired to conduct a study of the best health care systems and models in different countries both developed and developing countries and try to emulate them in order to ensure supply and availability of quality medicine at affordable prices in the country. In their Action Taken Note the Ministry have merely stated that the views/suggestions made by the Committee have been noted. The Ministry have not befittingly responded on these recommendations. The Committee are not satisfied with the casual and

routine reply of the Ministry on these issues. In view of the vital role played by the CGHS in arranging/providing Healthcare to the beneficiaries, the Committee while reiterating their earlier recommendations urge the Ministry to intensify the measures to plug the loopholes and strengthen the monitoring mechanism for procurement of medicines for CGHS so as to provide a sound healthcare system in the country.

NEW DELHI;

November, 2016
Kartika, 1938 (*Saka*)

PROF. K.V. THOMAS

Chairperson,
Public Accounts Committee