

**Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana
Release of Grant-in-Aid
(TRUST MODE)**

Target Beneficiaries for whom Grant-in-Aid will be released for:

Under Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (herein referred as AB-PM JAY) a defined annual benefit cover of Rs. 5.00 lakh per family (on a family floater basis) to over 10 crore poor, deprived rural families and identified occupational categories of urban workers' families as per the latest Socio Economic Caste Census (SECC) data, both rural and urban (~50 crore beneficiaries) and existing RSBY Beneficiary Families, which does not figure in the SECC database. However, for the sake of clarity the higher number of beneficiary families appearing in either SECC Database or Existing RSBY Beneficiary Families will be considered for deciding the eligible beneficiary families. The aforesaid benefit cover will be able to take care of almost all secondary care and most of tertiary care procedure. Upon launch of AB - PM JAY, the existing Rashtriya Swasthya Bima Yojana (RSBY) and Senior Citizen Health Insurance Scheme (SCHIS) being implemented by States will be subsumed in AB - PM JAY.

When State / UT implements AB-PM JAY through their designated Trust / Society / Organisation and not through Insurance Company / without any involvement of Insurance Company, then it will be considered that the State / UT is implementing AB-PM JAY through Trust Mode.

1. Sharing Pattern Ratio – For Premium and Administrative Expenses

- The existing sharing pattern ratio is 60:40 between the Central Government and the States Government / Union Territories, for States and Union Territories which are other than North-Eastern & Three Himalayan States and Union Territories, which does have Legislation; and
- For North-Eastern and Three Himalayan States (viz. Jammu and Kashmir, Himachal Pradesh and Uttarakhand), the sharing pattern ratio between the Central and State Governments will be 90:10; and
- For Union Territories, without Legislation, the Central Government may provide upto 100% on a case to case basis.
- The Sharing Pattern Ratio is subject to change in accordance with the extant directive issued by Ministry of Finance in vogue, from time to time.

2. Opening of Escrow Account:

- The Central & State Government / UT shall have to open a separate designated escrow account viz. for Grant-in-Aid and Administrative Expense, with any of the banks as permissible by Ministry of Finance, through which the payment of premium i.e. States / UTs and Central Government's Share of Premium will be released.

- The Ministry of Finance has vide O.M. No. S-11012/3(1) /Bank/Ref.Case/2010 /RBD/1688-1772 dated 10.11.2016, has issued instructions relating to Banking arrangement of the State/District level implementing Agencies handling Central Sector/Centrally sponsored schemes of various Ministries of Government of India. It has been stated that the categories of banks operating in India and regulated under Banking Regulation Act, 1949, which have been notified as Scheduled Commercial Banks can handle accounts of Implementing Agencies / Autonomous Bodies / Societies and accordingly, all the Ministries / Departments are therefore can make necessary changes, if required, so that all the Scheduled Commercial banks (except Foreign Banks) are able to participate fully in the implementation of their schemes. The names of the banks are as under:
 - (i) State Bank of India and its Associates;
 - (ii) Nationalised Banks (PSU Banks);
 - (iii) Regional Rural Banks;
 - (iv) Other Scheduled Commercial Banks (Private Sector Banks)
- The SHA will need to share the details of the escrow accounts with NHA within 7 days of opening the designated escrow account. The process of funds release shall be as follows:
 - The State / UT shall upfront release its share, depending upon category of State/UT along with its administrative expense share into the separate designated escrow account of SHA opened by the States / UTs for implementation of AB - PM JAY.
 - The Central Government shall then release its share of grant-in-aid through the designated escrow account of NHA into the designated Escrow Accounts of the SHA of respective State / UT within 21 working days from the receipt of duly completed proposal from the State Government.
 - Thereafter, upon receipt of Central Government's Share of Grant-in-Aid, the State / UT shall release the aforesaid installment of premium within 7 working days from the SHA Escrow Account to the Insurance Company.
- The complete Fund flow of the scheme requires regular flow of information & triggers/intimation to Central Govt./NHA/SHA for timely release/ monitoring of funds at all levels. Each installment of fund release should happen as per the stipulated timelines only. At center level NHA & at state/UT level SHA would ensure the timely disbursement of funds to downward agency.
- Since enabling of such fund monitoring mechanism would need real time data updation in AB - PM JAY portal by banks handling AB - PM JAY transactions, SHA to ensure selection of such bank which has robust technology solutions with experience of handling government transactions including providing escrow arrangement services for government schemes/projects as the banking solution shall be critical to ensure timely release and tracking of funds along with parallel information flow to various stakeholders. The solution so provided by SHA's banker would also need to facilitate:

- Multi-Level Fund monitoring through Single account system.
- Authorization based payment mechanism (in the form of Maker and Checker)
- Component head wise Payment & Tracking – received funds can be categorized in the form of expenditure heads.
- Real Time balance Report to monitor all expenditure head wise transaction summary
- View access of transactions across hierarchy
- Customized MIS /Reports to ensure smooth Reconciliations
- Capability of integration with accounting system for easy book keeping

3. Maximum Ceiling Payable by Government of India

- The maximum grant-in-aid payable to the States / Union Territories shall be the Central Government's Share of Grant-in-Aid based on the sharing pattern ratio (as indicated in Section 1 above) for the actual cost of treatment of AB – PM JAY Beneficiary Families or the maximum ceiling amount decided by Government of India, whichever is less.

4. Implementation under Trust Mode

- a. Before the start of implementation of AB-NHPM, the States / UTS will have will have to send their proposal to the Central Government and execute the Memorandum of Understanding with the Central Government indicating their modus operandi for the implementation of AB-NHPM.
- b. The proposal for release of Central Government's Share of Grant-in-Aid shall be made by the State Government, upon release of its matching share of contribution, along with the certified expenditure statement for the treatment cost and other requisite documents as specified under General Financial Rules, 2017.
- c. The grant-in-aid for the implementation of AB-NHPM will be decided as under :
 - i. **In 1st Year:** The first tranche of grant-in-aid of 50% out of the annual maximum ceiling of Central Government's Share of Grant-in-Aid, shall be released as advance through Escrow Account for the total targeted beneficiary families as per the SECC Database or the number of beneficiary families mapped with the SECC Database, as the case may be. The second tranche of 25% will be also be paid as advance by the end of second quarter, subject to the submission of documentary proof of utilisation of at least 75% of the earlier released first installment to the SHA. Further, the last tranche of grant-in-aid as full and final release shall be made upon receipt of the Utilisation Certificate of the earlier released tranches in the last quarter and actual amount of certified expenditure incurred by the States/UT.

- ii. **For 2nd Year and onwards:** The first tranche of grant-in-aid of 50%, out of the total Central Government's Share of Grant-in-Aid, shall be released as advance through Escrow Account based upon the actual total actual expenditure incurred in the previous year towards the treatment of AB-NHPM Beneficiary Families, subject to the maximum annual permissible ceiling decided by Government of India, whichever is less, as the case may be. The second tranche of 25% will be also be paid as advance by the end of second quarter, subject to the submission of documentary proof of utilisation of at least 75% of the earlier released first installment to the SHA. Further, the last tranche of grant-in-aid as full and final release shall be made upon receipt of the Utilisation Certificate of the earlier released tranches in the last quarter.
5. For any disagreement / issues (pertaining to interpretation, understanding, etc.), the decision of NHA shall be final and binding on all States / UTs.