

**GOVERNMENT OF INDIA  
MINISTRY OF HEALTH AND FAMILY WELFARE  
DEPARTMENT OF HEALTH AND FAMILY WELFARE**

**LOK SABHA  
UNSTARRED QUESTION NO. 1734  
TO BE ANSWERED ON 10<sup>th</sup> MARCH, 2017**

**NRHM**

**1734. SHRI G.M. SIDDESHWARA:**

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

- (a) whether the Government has warned the State Governments that no more funds would be provided if National Rural Health Mission (NRHM) grant is misused, if so, the details thereof; and
- (b) whether the Government is also considering to provide additional funds to States that perform better in NRHM, if so, the details thereof?

**ANSWER  
THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND  
FAMILY WELFARE  
(SHRI FAGGAN SINGH KULASTE)**

- (a): Government has been asking the State Governments to strengthen the financial management system and ensure that National Rural Health Mission (NRHM) grants are not misused. Central Government has issued operational guidelines, advisories and has implemented well established monitoring mechanism under NHM to strengthen the financial management system.
- (b): Additional funds are given to States under NHM (earlier NRHM) that perform better on specific performance parameters. That details of incentive/disincentive from F.Y. 2015-16 and 2016-17 are provided at annexure-I & II respectively.

**CONDITIONALITIES-FRAMEWORK FOR IMPLEMENTATION (2015-16)**

S. No	Conditionality	Description	Source for verification & indicator	Incentive/Penalty
1	Reduction in IMR	Percentage decrease over last year	SRS	Maximum incentive of 5% - <b>Weightage=5</b> • If decrease less than 5% - No incentive • If decrease between 5-7%- Incentive of 3% • If decrease greater than 7% - Incentive of 5%
2	Reduction MMR	Percentage decrease over last year (only for 16 States for which MMR is available)	SRS	Maximum incentive of 5% - <b>Weightage=5</b> • If decrease less than 5% - No incentive • If decrease between 5-10%- Incentive of 3% • If decrease greater than 10% - Incentive of 5%
3	Full Immunization Coverage	During the current FY, as on December 31- infants fully immunised vs. estimated beneficiaries	MCTS	Maximum penalty and incentive of 5%. <b>Weightage= 5/(-)5</b> • If coverage less than 40% - Penalty of 5% • If coverage between 40-50% - No penalty • For coverage above 50% up to 100%- Incentive up to maximum of 5%, calculated as $\frac{\text{Coverage above 50\%}}{10}$ i.e. if coverage is 65%, then incentive of 1.5%; and if coverage is 87%, then incentive is 3.7%.

S. No	Conditionality	Description	Source for verification & indicator	Incentive/Penalty
4	Functionality of FRUs/ CEmOC facilities (excluding Medical Colleges)	Adequacy of "functional" FRUs (conducting (-sections)	HMIS. Facilities conducting (-sections: 1. For Large States <ul style="list-style-type: none"> <li>• Avg. 10 CS I month at DH level</li> <li>• Avg. 5 CS I month at SDH and CHC level</li> </ul> 2. For NE states (excl. Assam), Hilly States (Uttarakhand, HP, J&K), and UTs (excl. Delhi) <ul style="list-style-type: none"> <li>• Avg. 6 CS I month at DH level</li> <li>• Avg. 3 CS I month at SDH and CHC level</li> </ul>	Maximum penalty and incentive of 5%. <b>Weightage=5/(-) 5</b> <b>Compared to required number of FRUs:</b> <ol style="list-style-type: none"> <li>1. On a State-wide basis <ul style="list-style-type: none"> <li>• If 50-75% FRUs "functional" - 3% penalty</li> <li>• If less than 50% FR Us "functional" - 5% penalty</li> </ul> </li> <li>2. On a State-wide basis, if more than 75% FRUs "functional", AND in HPDs - <ul style="list-style-type: none"> <li>• If less than 50% FRUs "functional" - 5% penalty</li> <li>• If 50-75% FRUs "functional" - 3% penalty</li> <li>• If 75-90% FR Us "functional" - 3% incentive</li> <li>• If more than 90% FRUs "functional" - 5% incentive.</li> </ul> </li> </ol>
5	Quality Certification	Percentage District hospitals and CHCs quality certified by State level body	N HSRC report	Maximum incentive of 5%. <b>Weightage= 5</b> <ul style="list-style-type: none"> <li>• 3% incentive if at least 50% of DHs certified</li> <li>• 2% incentive if at least 25% of CHCs / Block PHCs certified.</li> </ul>
6	JSSK Implementation	Implementation status of JSSK entitlements	MCTFC Report (minimum sample of 300 beneficiaries for each state)	Maximum penalty of 10%. <b>Weightage= (-)10</b>  More than 50% gap in any of the components (drug, diet, diagnostics and transport) 10% penalty

S. No	Conditionality	Description	Source for verification & indicator	Incentive/Penalty
				<p>Less than 50% but more than 25% gap, 5% penalty</p> <p>No penalty if performance more than 75% (based on survey/MCTFC calls)</p>
7	Governance: Quality of services and functionality of public health	<p><b>Star rating of facilities</b> Based on the extent to which CHCs/PHCs meet the benchmark on Key indicators. Facilities Five Star indicator criteria:</p> <ol style="list-style-type: none"> <li>1. Human Resource and Infrastructure</li> <li>2. Service availability</li> <li>3. Drugs and supplies</li> <li>4. Client orientation</li> <li>5. Service Utilization</li> </ol>	HMIS report	<p>Maximum penalty of 5%. <b>Weightage= 5</b></p> <ul style="list-style-type: none"> <li>• To avoid penalty minimum 50% of CHCs to have 3 or more star rating</li> </ul>
8	Implementation of Free drugs & Diagnostic services	Free drugs & Diagnostic services to be implemented as per GOI mandate	District report certified by State Nodal officers and assessments made by NHSRC teams and MCTFC.	<p>Maximum incentive of 5% Weightage= 5</p> <ul style="list-style-type: none"> <li>• 90% and above institutions effectively implementing free drugs &amp; diagnostic services - 5%</li> <li>• 60% to 90% institutions effectively implementing free drugs &amp; diagnostic services - 3%</li> <li>&lt;60% institutions implementing free drugs &amp; diagnostic services - No incentive (Based on survey/MCTFC calls)</li> </ul>

S. No	Conditionality	Description	Source for verification & indicator	Incentive/Penalty
9	Increase in State Health budget	States providing more than 10% increase in its annual health budget as compared to the previous year.	State budgets   Information from State Govt.	Maximum incentive 5% <b>Weightage= 5</b> <ul style="list-style-type: none"> <li>• If no increase/ decrease - No incentive</li> <li>• If increase is 10 to 15% - 3%</li> <li>• If increase is &gt; 15% - 5%</li> </ul>

**Framework for Assessment of Conditionalities 2016-17**

<b>S. No.</b>	<b>Conditionality</b>	<b>Description</b>	<b>Source for verification &amp; indicator</b>	<b>Incentive/ Penalty</b>
1	Reduction in IMR	Percentage decrease over last year	SRS	Maximum incentive of 5% - Weightage = 5 <ul style="list-style-type: none"> <li>• If decrease less than 5% - No incentive</li> <li>• If decrease between 5%-7% - Incentive of 3%</li> <li>• If decrease greater than 7% - Incentive of 5%</li> </ul>
2	Reduction in MMR	Percentage decrease over last year (only for 16 states for which MMR is available)	SRS	Maximum incentive of 5% - Weightage = 5 <ul style="list-style-type: none"> <li>• If decrease less than 5% - No incentive</li> <li>• If decrease between 5% - 10% - Incentive of 3%</li> <li>• If decrease greater than 10% - Incentive of 5%</li> </ul>
3	Full Immunization coverage	During the current F.Y., as on November 30th – infants fully immunized vs. estimated beneficiaries	MCTS (For NE States) EAG /	Maximum penalty and incentive of 5%. Weightage = 5/(-5) <ul style="list-style-type: none"> <li>• If coverage less than 35% - Penalty of 5%</li> <li>• If coverage between 35% - 45% - No penalty</li> <li>• For coverage above 45% up to 100% - Incentive up to maximum of 5%, calculated as:  <math display="block">\frac{\text{Coverage above 50\%}}{10}</math>                     i.e. if coverage is 65%, then incentive of 1.5%; and if Coverage is 87%. Then incentive is 3.7%.                 </li> </ul>
			MCTS (For Other States)	Maximum penalty and incentive of 5%. Weightage = 5/(-5) <ul style="list-style-type: none"> <li>• If coverage less than 40% - Penalty</li> </ul>

S. No.	Conditionality	Description	Source for verification & indicator	Incentive/ Penalty
				<p>of 5%</p> <ul style="list-style-type: none"> <li>• If coverage between 40% - 50% - No penalty</li> <li>• For coverage above 50% up to 100% - Incentive up to maximum of 5%, calculated as:  <math display="block">\frac{\text{Coverage above 50\%}}{10}</math> </li> </ul> <p>i.e. if coverage is 65%, then incentive of 1.5%; and if coverage is 87%. Then incentive is 3.7%</p>
4	Functionality of FRUs/ CEmOC facilities (excluding standalone Medical Colleges)	Adequacy of "functional" FRUs (conducting C-sections)	<p>HMIS Facilities conducting C-Sections:</p> <ol style="list-style-type: none"> <li>1. For Large States <ul style="list-style-type: none"> <li>• Avg. 10 CS/month at DH level</li> <li>• Avg. 5 CS/month at SDH and CHC level</li> </ul> </li> <li>2. For NE states (excl. Assam), Hilly States (Uttarakhand, HP, J&amp;K), and UTs (excl. Delhi) <ul style="list-style-type: none"> <li>• Avg. 6 CS/month at DH level</li> </ul> </li> <li>3. Avg. 3 CS/month at SDH and CHC level</li> </ol>	<p>Maximum penalty and incentive of 5%. Weightage = 5/(-)5 Compared to required number of FRUs:</p> <ol style="list-style-type: none"> <li>1. On a State wide basis <ul style="list-style-type: none"> <li>• If 50% - 75% FRUs "Functional" – 3% penalty</li> <li>• If less than 50% FRUs "Functional" – 5% penalty</li> </ul> </li> <li>2. On a State-wide basis, if more than 90% FRUs "functional", and in each HPD. <ul style="list-style-type: none"> <li>• If 75% - 90% FRUs "functional" – 3% incentive</li> <li>• If more than 90% FRUs "functional" - 5 incentive</li> </ul> </li> </ol> <p>States which have earned incentive /no penalty for FRU conditionality must fulfil HPD criteria to earn incentive this year #</p>

5	Quality Certification	Percentage District hospitals and CHCs quality certified by State level body in rural and urban areas.	NHSRC Report	<p>Maximum incentive of 5% Weightage = 5</p> <ul style="list-style-type: none"> <li>• 3% incentive if at least 20% of DHs certified</li> <li>• 2% incentive if at least 10% of CHCs/ Block PHCs certified</li> </ul>
6	Governance: Quality of Services and functionality of public health facilities	<p>Star rating of facilities based on the extent to which CHCs meet the benchmark Five star indicator criteria:</p> <ol style="list-style-type: none"> <li>1. Human Resource and Infrastructure</li> <li>2. Service availability</li> <li>3. Drugs and supplies</li> <li>4. Client orientation</li> <li>5. Service utilization</li> </ol>	HMIS Report (both rural and urban)	<p>Maximum Penalty/ incentive of 5% Weightage = 5/(-) 5</p> <ul style="list-style-type: none"> <li>• To avoid penalty, minimum 50% of CHCs to have 3 or more star rating</li> <li>• Incentive of 3% if more than 75% of CHCs have 3 or more star rating</li> <li>• Incentive of 5% if more than 90% of CHCs have 3 or more star rating #</li> </ul>
7	Implementation of Free drugs scheme	Free drugs to be implemented as per GOI mandate	<p>District report certified by State Nodal Officers. Assessments made by NHSRC teams MCTFC. In case no reports are available, data from MCTFC calls to PWs would be taken as proxy data</p>	<p>Maximum incentive of 5%. Weightage = 5</p> <ul style="list-style-type: none"> <li>• = or &gt;90% institutions effectively implementing free drugs 5%</li> <li>• 60% to 90% institutions effectively implementing free drugs 3%</li> <li>• Less than 60% institutions implementing free drugs No incentive</li> </ul> <p>(Based on survey/MCTFC calls)</p>



8	Implementation of Free diagnostics Services	Free diagnostics to be implemented as per GOI mandate	District report certified by State Nodal Officers. Assessments made by NHSRC teams and MCTFC. In case no reports are available, data from MCTFC calls to PWs would be taken as proxy data	<p>Maximum incentive of 5%. Weightage = 5</p> <ul style="list-style-type: none"> <li>• 90% and above institutions effectively implementing free diagnostics 5%</li> <li>• 60% to 90% institutions effectively implementing free diagnostics services – 3%</li> <li>• Less than 60% institutions implementing free diagnostics services – No incentive</li> </ul> <p>(Based on survey/MCTFC calls)</p>
9	Implementation of integrated HRIS and updated annual formats of HMIS	State which has integrated HRIS (for regular and contractual HR) with updated information and from which pay slips are generated every month. Also updated HR and other information in annual HMIS which is in sync with HRIS	<p>HRIS generated summary and pay roll</p> <p>HMIS report</p>	<p>Maximum incentive/penalty of 10% Weightage = 10/(-)10</p> <ul style="list-style-type: none"> <li>• 5% penalty if HRIS not implemented fully</li> <li>• 5% penalty if HMIS data in annual format not updated and is not in sync with HRIS</li> <li>• 5% incentive if HRIS fully implemented</li> <li>• 5% incentive if HMIS annual format is updated and is in sync with HRIS</li> </ul>

Note: 1) EAG states would be evaluated as a separate category.

# Incentive only till the highest slab is achieved