Subject: Issue of Operational Guidelines for the implementation of the recommendations on Health Sector grants contained in Chapter 7 of the Fifteenth Finance Commission (FC-XV) Final Report- regarding

Ref.: Operational Guidelines issued by the Department of Expenditure vide O.M. No.15(2)/FC-XV/FCD/2020-25, dated 16-07-2021 for the implementation of the FC-XV recommended Health Sector grants.

In para 8 (Procurement of medicine, medical equipment, diagnostics and other consumable etc.) of the reference cited above, the following is added at the end of the para:

"Therefore, funds recommended by the FC-XV to a State for Support to Diagnostic infrastructure for the primary healthcare facilities under Sub-Centers, PHCs and urban PHCs may be transferred by the State Finance Department directly to the State Health Department or any other Department authorized by the State Level Committee for procurement under this component."

2. In para15 (Distribution of health Sector grants by the States) of the reference cited above, after the words “Autonomous District Councils” the words “or Health Department, as the case may be” shall be inserted and the following is added at the end of the para;

"State Finance Department shall transfer the grant to the nodal Department(s) based on the items/services/components approved by the State Level Committee for execution at their level."

(i) The all State Chief Secretaries
(ii) The Secretary, MoH&FW, Govt. of India, Nirman Bhawan, New Delhi.