The Fifteenth Finance Commission (FC-XV) has recommended grants through urban and rural local governments for specific components of health sector to the tune of Rs 70,051 crores and the same have been accepted by the Union Government.

2. As you are aware, the funds recommended by the FC – XV to a State for Support to Diagnostics 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 (refer addendum to Operational Guidelines for implementation of the recommendations of FC-XV dated 7th September, 2021 – DoE).

3. This is to inform you that vide OM No. 15 (2) FC-XV/FCD/2020-25 dated 27th January, 2021 (copy enclosed), DoE has now clarified that the State Level Committee (SLC) may decide about the procurement of any of the approved items of diagnostic infrastructure, medical equipment, Drugs etc involved in any of the components of the Health Sector Grant through a mechanism which may include centralized purchase (at State level) with the aim to ensure purchase of quality products at reasonable/competitive prices in an efficient manner after following the due processes, procedures and practices. However, for the centrally (at State level) procured items, the State(s) must ensure that the selected vendors/companies do deliver the procured items at the intended destination (where they are required to be installed/utilized).

4. I am hopeful that this provision would help States in expediting the implementation under FC XV Health grants and further strengthen the primary health care.

Encl: as stated

with regards

Yours sincerely

(Vishal Chauhan)

To

ACs/Pr. Secretaries/Secretaries (Health) of 28 States

Copy to:

Mission Directors, NHM of 28 States
Office Memorandum

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 and Addendum dated 07-09-2021 for the implementation of the FC-XV recommended Health Sector grants.

Kind attention is invited to the para 8 (Procurement of medicine, medical equipment, diagnostics and other consumables etc.) of the reference cited above. It is clarified that State Level Committee (SLC) may decide about the procurement of any of the approved items of diagnostic infrastructure, medical equipment, Drugs etc. involved in any of the components of the Health Sector Grant through a mechanism which may include centralised purchase (at State level) with the aim to ensure purchase of quality products at reasonable/competitive prices in an efficient manner after following the due processes, procedures and practices. However, for the centrally (at State level) procured items, the State (s) must ensure that the selected vendors/companies do deliver the procured items at the intended destination (where these are required to be installed/utilized).

Contd. on page-2.
2. Many of the medical equipments etc. might be available on Government e-Marketplace (GeM). Therefore, efforts may be made to procure such items from GeM.

To
The Secretary, MoH&FW,
Govt. of India, Nirman Bhawan, New Delhi.

Copy to:-
(i) The Chief Secretaries of all States.

(Abhay Kumar)
Director(FCD)