

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Health, Medical and Family Welfare - Rajiv Aarogyasri Scheme - Notifying and adoption of 'Input code book', 'Standard Schedule of Rates for medical inputs' and 'Final Therapy Prices' - Orders - Issued.

HEALTH, MEDICAL AND FAMILY WELFARE (M2) DEPARTMENT

G.O.Ms.No.87

Dated:27-06-2013.

Read the following:

1. G.O.Ms.No.227 HM&FW (K2) Dept dated 09-06-2006.
2. Govt Memo. No. 21233 /M2/2012-3 HM&FW (M2) Department dated: 06-02-2013.
3. Representation dated 30-03-2013 received from AP Speciality Hospitals Association (ASHA).
4. Representation dated 03-04-2013 received from AP Private Hospitals & Nursing Homes Association (APNA).
5. From the Chief Executive Officer, Aarogyasri Healthcare Trust, Hyderabad letter No.2349 /P&C/F.49/2013 dated 26-04-2013.
6. Govt Letter No.21233/M2/2012-4 HM&FW(M2) Dept dt.29-04-2013.
7. From the Chief Executive Officer, Aarogyasri Healthcare Trust, Hyderabad letter No.AST/2349 /P&C/F.49/2013 dated 29-04-2013.

ORDER:

Rajiv Aarogyasri Scheme (RAS) is being implemented by Government from 01.04.2007 to financially assist 233 lakh poor families to avail medical treatment for identified diseases covering 938 In-patient (IP) therapies and 125 follow-up therapies vide G.O. first read above.

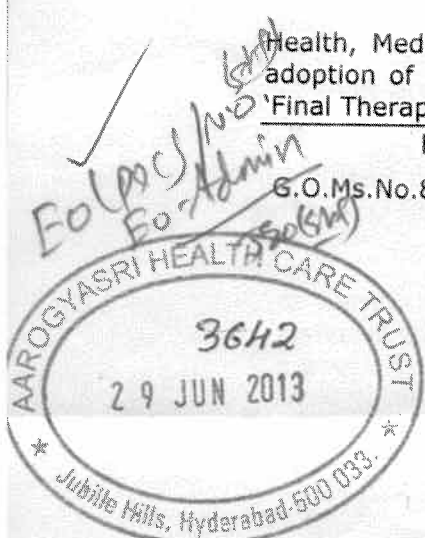
2. AP Speciality Hospitals Association (ASHA) and A P Private Hospitals & Nursing Homes Association (APNA) representing the private hospitals empanelled under Rajiv Aarogyasri Scheme, submitted representations to Government, seeking revision of the package rates for Rajiv Aarogyasri Scheme and also clarifications on certain other issues. In Memo. No. 21233 /M2/2012-3 HM&FW (M2) Dept dated 06-02-2013, Government have constituted a committee headed by Principal Finance Secretary and consisting of Principal Secretary to Government Health Medical and Family Welfare Department, Commissioner, AP Vaidya Vidhana Parishad, Director of Medical Education, as members, Chief Executive Officer, Aarogyasri Health Care Trust as member-convenor, and two representatives each from ASHA and APNA as members for examining the grievances of ASHA and APNA.

3. In the letter 5th read above, the Chief Executive Officer, Aarogyasri Healthcare Trust (AHCT) & member-Convener of the Committee has submitted a 'note' containing the deliberations of the Committee and its recommendations on the issues referred to it. The Chief Executive Officer has stated that the Committee addressed the following demands put forth by APNA and ASHA in their representations 3rd and 4th read above, on revision of prices:

- I. 30% hike in tariff with an annual hike of 10% henceforth.
- II. A minimum of 65% over and above the revised tariff in respect of State Government employees and their dependents for twin sharing semi-private room.
- III. A 100% hike over and above the revised tariff for single private rooms.

4. The Principal Secretary to Government, Health Medical & Family Welfare Department held discussions on the above report with the Principal Finance Secretary, Finance Department, along with the representatives of ASHA and APNA. Based on the discussions, the Chief Executive Officer, Aarogyasri Health Care Trust was requested in the reference 6th read above, to send a brief report on the entire exercise of price fixation from the beginning till the publication of draft prices and final discussions held with APNA and ASHA representatives leading to a consensus being arrived at on the package prices.

5. In the letter 7th read above, the Chief Executive Officer, Aarogyasri Health Care Trust has accordingly submitted a report in the matter. He has stated that the committee constituted in the Government Memo second read above held three rounds of discussions on 16-03-2013, 28-03-2013 and 15-04-2013 with the representatives of ASHA and APNA on the issues raised in their representations 3rd and 4th read above. He has also stated that the above Associations have issued a



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notice on 30-03-2013 that they would be stopping all services under Rajiv Aarogyasri Scheme from 03-05-2013.

6. The report furnished by the Chief Executive Officer, Aarogyasri Health Care Trust contains the following findings and recommendations made by the Committee. As regards rationalization of prices, the report reads as follows:

The existing prices for Aarogyasri packages were arrived at, based on across-the-table negotiations made by the Trust with the private hospitals during 2007 and they have been in implementation for the last 5 years since inception of the scheme. Certain prices for certain therapies were above the whole-sale market price and certain therapies were below the whole-sale market price. There has also been a demand from the private network hospitals for the last two years to revise the prices.

Keeping in view the above circumstances, and in order to arrive at package prices based on a scientific approach for existing Aarogyasri packages as well as additional procedures, Aarogyasri Healthcare Trust embarked on an exercise of preparing a detailed estimate for each of the therapies, and in that direction, meetings were held with specialist groups from Network hospitals comprising both Government and private hospitals represented by ASHA and APNA associations, and draft formats were prepared to collect necessary data. A preliminary meeting with doctors of both private and Govt. Network Hospitals was held first on 27.03.2012. An action plan and schedule of meetings with specialists on package pricing was prepared and a series of meetings were held between 27th March, 2012 and 15th April, 2013. Senior officials of the Trust held several meetings and finalised the methodology for capturing the unit prices of various clinical inputs. The pricing exercise was completed according to the adopted methodology and the detailed estimates were sent to Dr. NTR University of Health Sciences (NTRUHS) for third-party verification.

The foundation of Aarogyasri package being cashless, the package prices include cashless service from the point of OP Registration of a patient till the expiry of 10 days after discharge as In-patient with a 30 day warranty after discharge and therefore the prices are inclusive of pre-evaluation cost of OP cases which need to be screened before an IP case is identified. If a patient is not referred by a Government Hospital, an empanelled hospital is required to conduct pre-evaluation for all the patients at OP level out of which a few IP cases will be identified and only the IP cases will be paid under the Scheme. For example for every angioplasty IP case done, the hospital will be required to evaluate around 5-6 chest pain OP cases, the cost of which is also included in the IP therapy price.

The standardised prices estimated by Aarogyasri Health Care Trust and the prices recommended by Dr.NTRUHS were placed before 23 technical committees, each representing a medical specialty, consisting of 2 doctors from ASHA/APNA and 2 doctors from Government Hospitals on 15-04-2013. Each technical committee sat and discussed therapy-wise and arrived at a consensus. The price recommended by the committee of doctors, standardized price and the Dr.NTR University of Health Sciences recommended price (wherever available) was tabulated.

A meeting was held by Principal Secretary to Government, Health Medical and Family Welfare Department along with the Vice-Chancellor, Dr.NTR University of Health Sciences, Director Medical Education, Director, Sri Venkateswara Institute of Medical Sciences, Principal, Gandhi Medical College and Chief Executive Officer, Aarogyasri Health Care Trust on 24-04-2013 and the list of therapies with Standard prices of Trust, NTRUHS prices, ASHA / APNA demanded prices, technical committee prices were discussed in detail and the final prices for each therapy were arrived at. This draft price list was publicised through a press notification calling for remarks before 28-04-2013. All remarks received have been carefully considered prior to taking a final view.

7. Along with the above report, the Chief Executive Officer, AHCT has furnished the 'Input code book' (annexure 1), 'Standard Schedule of Rates'(annexure 2) and 'Final Therapy Prices' (annexure 3) which were prepared following the methodology indicated in para-6 above. He has requested that the recommendations made by the

Committee may be accepted and orders may be issued for adoption of the 'Standard Schedule of Rates (SSR) for medical inputs' for determining the package rates for treatment of patients in empanelled hospitals, for the financial year 2013-14.

8. Government, after careful examination of the recommendations made by the Committee, as extracted in paras 6 and 7 above accept the same and accordingly, hereby, notify the 'Standard Schedule of Rates for 2012-13', and the 'Therapy Base Prices', for being adopted by the Aarogyasri Health Care Trust for determining the package rates for treatment of patients in empanelled hospitals, with effect from the date of issue of this order, for Rajiv Aarogyasri Scheme. The Chief Executive Officer shall ensure that Rajiv Aarogyasri Scheme with the rationalised prices is implemented within the overall budget available to the Trust for the financial year 2013-14.

9. Government also, hereby authorise the Chief Executive Officer, Aarogyasri Healthcare Trust to include any additional inputs, which may be required during the course of implementation of the schemes, code them, finalise the prices and append the same in the Medical Input Code Book and Standard Schedule of Rates (SSR) for the subsequent year.

10. For quality care, NABH accreditation by National Accreditation Board for Hospitals and Healthcare Providers (NABH) may be taken as parameter and any hospital having NABH accreditation may be paid 2% over and above the basic package price. All network hospitals shall be informed that only those with NABH certification be retained in the network effective from 01-07-2015 which would be an incentive to the hospitals to improve their standards.

11. The Chief Executive Officer, Aarogyasri Health Care Trust shall take further necessary action, accordingly in the matter.

12. This order issues with the concurrence of Finance Department vide their U.O.No.2891/PFS/13, dated:26.06.2013,.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY SAWHNEY
PRINCIPAL SECRETARY TO GOVERNMENT

✓ To

The Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad.

Copy to:

The Commissioner of Health & Family Welfare, AP., Hyderabad.

The Director of Medical Education, AP., Hyderabad.

The Director of Public Health & Family Welfare, AP., Hyderabad.

The Commissioner, AP Vaidya Vidhana Parishad, Hyderabad.

The Managing Director, AP Medical Services and Infrastructure development Corporation, Hyderabad.

The Accountant General (A&E), AP., Hyderabad.

The Finance (Expr.M&H-1) Department.

S.F. / S.Cs.

// FORWARDED :: BY ORDER //

T. Parasabo Pretty
SECTION OFFICER

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