

22B(04)/2010/US(WE)/D(Res)  
 Government of India  
 Ministry of Defence  
 New Delhi  
 Dated the 18th Feb, 2011

To

The Chief of Army Staff  
 The Chief of Naval Staff  
 The Chief of Air Staff

**Subject :** Procedure for empanelment of Hospitals, Nursing Homes and Diagnostic Centres under  
 Ex-servicemen Contributory Health Scheme (ECHS)

Sir,

1. With reference to Govt of India, Ministry of Defence letter No. 24(9)/03/US(WE)/D(Res) dated 16 Jun 04, I am directed to convey the sanction of the Government that the 'Procedure for Empanelment of Hospitals, Nursing Homes and Diagnostic Centres as spelt out in Appendix A to this letter will be followed by the ECHS with immediate effect.
2. This supersedes GOI MoD letter No. 24(9)/03/US(WE)/D(Res) dated 16 Jun 04.
3. This procedure will be reviewed as and when deemed necessary.
4. This issues with the concurrence of Ministry of Defence (Finance) vide their U.O. No. 580/F/P/1 dated 10th Feb, 2011.

Yours faithfully

Sd/-xxx  
 (H.K. Mallick)

Under Secretary to the Govt. of India

Copy to:-

1. CGDA, New Delhi
2. MD, ECHS
3. PPS to Secretary ESW
4. PPS to Secretary Def (Fin)
5. JS (ESW)
6. JS & Addl FA, MoD
7. SO to Defence Secretary
8. Defence (Finance)
9. DFA (Pen)

Copy Signed in ink :-

All PCsDA/CsDA

Dated the 18th Feb, 2011

**PROCEDURE FOR EMPANELMENT OF  
HOSPITALS, NURSING HOMES AND DIAGNOSTIC CENTRES FOR  
EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)**

1. The procedure for Empanelment of Hospitals/Nursing Homes and Diagnostic Centres by the ECHS as laid in succeeding paragraphs will be followed for Ex-Servicemen Contributory Health Scheme (ECHS).
2. **Advertisements.** An advertisement will be placed in leading newspapers (Regional and English Language) inviting application for empanelment of Hospitals/Nursing Homes and Diagnostic Centres. The advertisements will be placed by Central Organisation ECHS, Regional Centres for the Areas under their jurisdiction once in a year in the month of January. Empanelment of hospital will be a continuous process wherein applications for empanelment will be processed as and when received.
3. **Application for Empanelment.** A standard Application form for Empanelment of Medical facilities for ECHS will be made available by the ECHS on a nominal amount of Rs. 1000/- at the Regional Centres/ Polyclinics. The application form duly completed as per format alongwith the fee payable to NABH (through Demand Draft) will be submitted by the Hospital/Diagnostic centre and Nursing Home to the Regional Centre under whose jurisdiction the hospital is located. Simultaneously an application in soft copy (available in ECHS webpage) will also be filled by the applicant hospital/diagnostic centre. The application after the initial vetting will be forwarded by Regional Centre to NABH through Central Organization ECHS to initiate the assessment of the hospital.
4. **Earnest Money Deposit (EMD).** All the hospitals applying for empanelment will deposit Rs. 1.00 Lac as EMD in the form of a Demand Draft in favour of respective Regional Centre. The EMD is a surety to sign the MOA and will be refunded at the time of Signing of MOA.
  - (a) In case the application is rejected on technical grounds, Earnest Money would be refunded.
  - (b) In case, the application is rejected after inspection on the grounds of submitting incorrect information, then 50% of the Earnest Money would be forfeited and the balance would be refunded in due course.
  - (c) In case, the applicant hospital/diagnostic centre refuses to sign the Memorandum of Agreement, 50% of the Earnest Money would be forfeited.
5. **Evaluation Procedure.** NABH, on receipt of e-application will initiate the assessment of the hospital on the pre defined parameters. The report of NABH will be received at Central Organisation within a period of 45 days. This report of Recommended hospitals will be forwarded to MoD along with the hard copy of the application received from the Regional Centre.
6. **Processing of Applications:** Central Organisation will compile the application and NABH reports and a Screening Committee chaired by the MD, ECHS will screen the applications on a monthly basis. Central Organisation will send draft govt. orders for empanelment of hospitals cleared by the Screening Committee and meeting the laid down criteria alongwith the minutes of the Screening Committee and meeting the laid down criteria alongwith the minutes of the Screening Committee meeting to the Deptt. of ESW by 15<sup>th</sup> of ensuing month for issuing the govt. orders in consultation with MoD (Finance) :-

- |     |  |   |                  |
|-----|--|---|------------------|
| (a) | MD (ECHS)  | - | Chairman         |
| (b) | Representative of MoD (Do ESW)<br>(not below Dir/Ds) | - | Member           |
| (c) | Representative of MoD (Fin/Pen)                      | - | Member           |
| (d) | Director (Medical)                                   | - | Member           |
| (e) | Joint Director (Med)                                 | - | Member-Secretary |

(Amended vide GoI, Min of Def letter No 22B(02)/2013/US(WE)/D(Res) dt 18 Oct 2013 and No.22B(02)/2013/US(WE)/D(Res) dated 23 Oct 2013).

7. **Period and Terms of Agreement.** After the approval of MOD, Memorandum of Agreement (MOA) as per standard ECHS format will be signed by the Regional Centre with the concerned Hospitals/Nursing Homes and Diagnostic Centres. The period of empanelment will be valid for two years. If the services of the Hospitals, Nursing Homes and Diagnostic centres are found to be satisfactory, extension of MOA may be done on mutual agreement, with the approval of the Central Organisation ECHS. In case of unsatisfactory performance, unethical practices or medical negligence by any empanelled Hospital, Nursing home and Diagnostic Centre, a show cause notice will be issued to concerned empanelled facility by the Regional Centre. Agreement/contract of empanelment will be terminated if charges are established, on approval from Ministry of Defence.

8. All the NABH accredited hospitals will be considered deemed empanelled will ECHS i.e. they will not be required to apply for NABH assessment but will have to directly apply to Central Organisation for processing the application for empanelment.

9. **Payment Procedure.** Payments will be made to Hospitals/Nursing Homes and Diagnostic as prescribed in MoD letter No. 24(8)/03/US(WE)/D(Res) dated 19 Dec 03.

10. **Performance Bank Guarantee.**

(a) Hospitals in CGHS Cities that are recommended for empanelment after the assessment shall have to furnish a Performance Bank Guarantee valid for period of empanelment to ensure efficient service and to safeguard against any default :-

- |      |                             |                |
|------|-----------------------------|----------------|
| (i)  | Empanelled Hospitals        | - Rs 2 Lacs    |
| (ii) | Other Empanelled Facilities | - Rs 0.50 Lacs |

(b) Hospitals in non-CGHS localities that are recommended for empanelment after the assessment shall have to furnish a Performance Bank Guarantee valid for period of empanelment to ensure efficient service and to safeguard against any default :-

- |      |                             |             |
|------|-----------------------------|-------------|
| (i)  | Empanelled Hospitals        | - 1 Lacs    |
| (ii) | Other Empanelled Facilities | - 0.25 Lacs |

(Amended vide GoI, Min of Def letter No 22B(02)/2010/US(WE)/D(Res) dt 19 Nov 2012).

11. In case of hospitals already empanelled under ECHS, they shall submit a new Performance Bank Guarantee.

12. Settlement of Disputes. In case any dispute arises between the Regional Centre and an empanelled Hospital, Diagnostic Centre or Nursing Home, empanelled facility concerned has the right to appeal to one superior level. The decision taken by the superior authority will be final and binding on both parties. Arbitration for any dispute will be conducted in terms of the Memorandum of Agreement signed between empanelled facility and Regional Centre.

13. De-Recognition/Dis-Empanelment. If any empanelled Hospital, Nursing Home or Diagnostic Centre is detected to be indulging in malpractice, unethical practice or medical negligence, the matter will be investigated by the Regional Centre. The empanelled facility will be given an opportunity to show cause before a case is initiated for dis-empanelment.

14. Authority for Disempanelment. The Ministry of Defence which accords approval for empanelment will be the authority for dis-empanelment.