No.22D(01)/2016/WE/D(Res-I) Government of India Ministry of Defence (Department of Ex-Servicemen Welfare) Room No. 221, B Wing, Sena Bhavan, New Delhi.

Dated 25.6, 2018

To,

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

Subject: Supply of Medicines to ECHS Beneficiary and amendment to Provision regarding Authorised Local Chemist (ALC).

Sir,

- 1. Reference to Govt. of India, Ministry of Defence letter No.22D(01)/2016/WE/D(Res-I) dated 22nd August 2017 efforts were made to alleviate the difficulties faced by the ECHS beneficiaries and streamline the supply and availability of not available medicines by providing procedural guidelines vide the above referred order permitting procurement of drugs and consumables for ECHS through ALC.
- 2. The existing system of medicine delivery to ECHS beneficiaries were causing dissatisfaction among the veterans till 2016. There was very low ground level satisfaction prior to delinking of AFMSD with ECHS related supply of medicines. After delinking of supply of medicines for ECHS from AFMSD wef 10th October 2016 and making SEMO the nodal agency for supply of medicines for ECHS the satisfaction level has shown improvement and the level of satisfaction is envisaged to improve further after the introduction of ALC (authorized local chemist).
- 3. Various complaints from ECHS beneficiaries received by MoD (DoESW) and Central Organisation ECHS pertaining to availability of medicines. Most of these issues relate to supply and receipt of medicines, it will be well settled once the ALC becomes fully functional. Some of the difficulties faced by ECHS related to ALC implementations are mentioned below:
- a) Non availability of any chemist within the municipal limit of concerned polyclinic especially in smaller towns/cities.
- b) Constraints in regard to having minimum annual turnover of Rs.60 lakh and Rs.30 lakh for CGHS cities and non CGHS cities respectively, for chemists located in smaller towns and cities.
- c) Higher rates of PBG not feasible for retail chemists based in smaller towns/cities.
- d) Non-availability of rep of IFAs/CsDA (LAO/IFA) to visit these remote/smaller areas as part of board of officers for empanelment of authorised local chemist (ALC).

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- 4. To overcome the difficulties faced, after deliberations with the stake holders, decision was taken for few procedural amendments. I am directed to convey the sanction of the competent authority for the following procedural amendments:
- a) To empanel local chemists from adjoining/nearby areas/towns beyond the AOR of polyclinics in those locations where local chemists are not available within the municipal limit of concerned polyclinic.
- b) The duration of delivery of medicines supply may be increased upto 72 hrs. Instead of 24 hrs where an ALC does not exist within the municipal limit of polyclinic.
- c) The annual turnover of Rs.60 lakhs/30 lakhs for CGHS cities and Non-CGHS cities has been reduced to 15 lakhs/5 lakhs respectively for smaller town chemists.
- d) PBG to be reduced to Rs.15000/-(instead of Rs.50,000/- and Rs.25,000/- for other facilities) for an empanelled authorised local chemist located in small towns/cities.
- e) The Jan Aushadhi stores may be considered as deemed empanelled with ECHS as Jan Aushadhi stores are essential component of Prime Minister Jan Aushadhi Scheme.
- f) Board of Officer may visit chemist and proceed further when officers of CGDA (LAO/IFA) are not available. LAO/IFA may examine proposal before approval of BOO by Stn Cdr.
- 5. This issues with the concurrence of Defence Finance/Pension vide their UO No.10(3)/2016/Fin/Pen dated 20-4-2018.

Yours faithfully

(A.K. Karn)

Under Secretary to the Govt. of India

Copy to:

- 1. CGDA, New Delhi
- DGADS, New Delhi
- SO to Defence Secretary /PPS to Secretary, ESW
- PPS to AS(T)/PPS to AS(I)
- 5. Addl FA (RK) & JS
- 6. JS (ESW)/JS/(O/N)
- 7. Director(Finance/AG)
- 8. DFA (B)/DFA(N)/DFA (Air Force)
- 9. AFA (B-1)
- 10. D(Works)/D(Mov)/D(Med)
- 11. O & M Unit.
- 12. MD, ECHS