

S c h e m e

for

*Establishing C. T. Scan Facilities
under Public Private Partnerships
in the District Hospitals*

January, 2008

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Abbreviations

BPL	Below Poverty Line
DoHFW	Department of Health and Family Welfare
GoWB	Government of West Bengal
NOC	No Objection Certificate
OPD	Out Patients Department
PPP	Public Private Partnership
QCBS	Quality and Cost Based Selection
DHFWS	District Health and Family Welfare Samiti
SOP	Standard Operating Procedure
CMOH	Chief Medical Officer of Health
RKS	Rogi Kalyan Samiti
MIS	Management Information System

1. Background Information

- a) In the wake of increasing demand and expectations from a vast section of people for improved health care services, the Department of Health and Family Welfare (DoHFW), Government of West Bengal (GoWB) has taken several initiatives under Public Private Partnerships (PPP) to strengthen the health and medical care services in the State. The purpose of these initiatives is to provide quality health care services at affordable cost as well as to improve the health status of the poor and vulnerable population in the State.
- b) One such initiative, that the department had already identified for implementation was establishment of C.T.Scan Facilities in the Medical Colleges under PPP. The objective of this initiative was to ensure greater access of the people to quality investigation facilities at affordable cost with a safety net for patients indigent in nature. Accordingly, Government Order was issued and administrative approval of the Governor was accorded in August, 2001 for establishment of C.T.Scan facilities by private agencies under joint venture project in 7(seven) Medical Colleges of the State. Encouraged by the positive response of the scheme, DoHFW has now decided to scale up the scheme and roll out the same across all the District Hospitals in the State. The department has itself established another 2(two) C.T.Scan units in two other Medical College Hospitals. All are running very satisfactorily.
- c) Currently, the State has 15 District Hospitals (list provided as **Annexure I**). All these Hospitals cater to the needs of a large population of the State with multi-specialty services. These Hospitals, put together, have an average bed capacity of 467¹ per hospital with a bed occupancy rate of 91.9 %². The average monthly admissions in each Hospital are around 3200³ and OPD attendances are close to 20000⁴ per month. Patients seeking treatment in these hospitals do have greater needs for higher investigation facilities, which include the facility of C.T.Scan. Already, the DoHFW has installed C T Scan Units in the District Hospitals of Malda, South 24-Parganas and in the North Bengal Medical College and Hospital which covers Darjeeling District. Considering the need, DoHFW has now decided for installation of one C.T.Scan Unit in each of those **12(twelve)** uncovered District Hospitals by private agencies under PPP.
- d) PPP is a successful mechanism for providing quality healthcare services at relatively low cost to increased number of people coming to receive health services.

2. Policy Context

- a) The Policy for Public Private Partnerships in the Health Sector issued by DoHFW in January 2006 outlines various ways in which the diverse segments of the private sector can be engaged with the Government for expeditious achievements of desired health outcomes.
- b) The document for the policy for PPP also outlines specific areas for PPP in West Bengal at the Tertiary and Secondary Health Care Level and this includes partnerships with private agencies to set up and operate C.T.Scan services.
- c) The PPP policy document issued by DoHFW is in conformity with the National Policy Framework of Public Private Partnerships as mentioned in the National Health Policy 2002,

^{1,2,3,4} Health on the March 2005-06

which states “ In principle, this policy welcomes the participation of the private sector in Public Private Partnerships in all areas of health activities - primary, secondary or tertiary”

3. Objective of the proposed initiative

The objective is to ensure round the clock availability of C.T.Scan facilities in all the District Hospitals in the State of West Bengal.

4. Partnership Model, Investment and Ownership Pattern

- a) The partnership model will be governed by a legal instrument, i.e. a contract, signed between the selected private partner and the Chief Medical Officer of Health and Secretary of the District Health and Family Welfare Samiti (DHFWS) relating to the concerned District Hospital.
- b) The initial duration of the contract will be for a period of **five years**. There will be an annual review of performance. The renewal of the contract at the end of five years will be subject to satisfactory consecutive annual review reports during the initial contract period.
- c) The contract can be terminated on any one or more of the grounds mentioned in **Annexure II**.
- d) Under the agreement, DHFWS will provide **rent-free** ready-to-use space within the District Hospital as per Norms of the Clinical Establishment Rules as amended up to 2003 or thereafter for establishment of C.T.Scan facilities by the private partner.
- e) The CMOH concerned in consultation with the Superintendent of the District Hospital shall identify the required space for establishing the facilities.
- f) A Possession Certificate in plain paper (**Annexure III**) shall be issued while handing over the above mentioned space duly signed by the private partner shall be kept in the record of the District Hospital along with the agreement and a copy of these documents shall also be kept in the record of the DoHFW at the State level.
- g) The private partner will be allowed to undertake minor repair works at their own cost with the concurrence of Rogi Kalyan Samiti (RKS) who shall be approached through the Superintendent of the District Hospital.
- h) The private partner, at its own cost, would install furniture, C.T.Scan machine and all related and necessary equipment for operationalization of the services. DoHFW will determine the specification of the plant and machinery and modalities of operation.
- i) Ownership status for all movable assets created from investments made by the private partner will remain with the private partner.
- j) DHFWS will provide free supply of water (including water tax) for use by the private partner.
- k) DHFWS will allow use of electricity for which private partner will pay consumption charges as per prevailing rules of energy supplier. The private partner will apply for the installation of separate electric meter in its name along with a No Objection Certificate (NOC) from the Superintendent of the District Hospital and the installation charges for such a connection (security deposit etc) will be borne by the private partner. The private partner will make

payments for energy consumed for the C.T.Scan unit directly to energy supplier as per their rules.

- l) The private partner will be responsible for maintenance and security for the space provided to them for C.T.Scan services. The premises will be in physical lock and key of the private partner.
- m) Usage right of the private partner for space and facilities provided by DHFWS is governed by agreement between DHFWS and the private partner.

5. Selection of Private Partners

- a) The District Health and Family Welfare Samiti (DHFWS) concerned will invite bidders to quote their expression of interests as well as submit necessary technical information as would be required to be furnished and select the private agency who qualifies on technical and cost ground, based on an evaluation system that will be a Quality and Cost Based Selection (QCBS).
- b) Expression of Interest (EOI) will be invited for each District Hospital as detailed in **Annexure-I** and an organization may apply for more than one District Hospital and may be considered for selection in more than one District Hospital if it qualifies in the evaluation system as described in para 5(a) above.

6. Policy on user charges

- a) The District Health and Family Welfare Samiti (DHFWS) concerned will fix the user charges taking into account the best offer received from the bidders.
- b) User charges as referred under 6(a) will be applicable only for patients referred by the Superintendent/authorized person(s) of the District Hospital.
- c) The cost of contrast media, where required, will be borne by the patient. However, use of contrast media should be kept minimum without compromising on the quality.
- d) The District Health and Family Welfare Samiti (DHFWS) may review the user charges as and when required.
- e) The private partner will be able to levy and collect prices at prevailing market rates from patients referred by private practitioners/private institution(s). However, these rates need to be displayed prominently with prior intimation to the Chief Medical Officer of Health concerned and the Superintendent of the District Hospital. The private partner will not be allowed to change these rates without prior permission of the Chief Medical Officer of Health of the District
- f) The private partner will be required to pay a service charge @ 25% of the revenue earned per patient for all cases referred by private practitioners/institution(s) as per provision of para 6(e). The said amount for each month shall be paid within fifth working day of the next calendar month in the account of DHFWS of the concerned District.

7. Collection of user charges and utilization of revenue sharing

- a) Collection of user charges will be done directly by the private partner as per rates approved by DHFWS. The private partner will issue necessary money receipt to the patients for user charges.
- b) The private partner will utilize the user charges for operation of C.T.Scan, salary payments, electric and other business expenses.
- c) The referral cases from the private doctors/institutions be dealt with as per provisions prescribed in para 6(e) prepage.

8. Policy on free services

- a) The policy on free services will be applicable only to Below Poverty Level (BPL) category of patients identified through BPL cards. However, if BPL cards have not been issued by the competent authority, certificate from M.P/ M.L.A/Municipal Commissioner/Sabhadhipati of the Zilla Parishad and Sabhapati of the Block Panchayat Samity will be accepted.
- b) The Superintendent of the District Hospital will authorize free services of these BPL patients based on production of BPL cards or certificates mentioned in 8(a) above.
- c) The private partner will conduct C.T.Scan investigations free of cost to a **minimum of 10% of total cases referred** from District Hospitals. Only the BPL patients will get this privilege of free investigation.
- d) Unutilized percentage/cases of free entitlement in a month will be carried forward to the next month and so on.

9. Duration of services

The private partner will ensure that the machine will be operational for **at least 95%** of the time with the provision of maximum 5% of time to be spared for maintenance activities.

10. Role and Responsibilities of each partner

a) Private Partner

- (i) The private partner, at its own cost, would install C.T.Scan machine, furniture and all related and necessary equipment for operationalization of the services. The Department of Health and Family Welfare (DoHFW) will determine the specification of the plant and machinery and modalities of operation.
- (ii) The private partner will apply for the installation of separate electric meter in its name and the installation charges for such a connection (security deposit etc) will be borne by the private partner. The private partner will make payments for energy consumed for the C.T.Scan facility directly to energy supplier as per their rules.
- (iii) The private partner will be responsible for maintenance and security for the space provided to them for C.T.Scan services. The premises will be under the lock and key of the private partner.

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- (IV) The private partner will abide by the policy regarding user charges and free services as described in paragraphs 7 and 9.
- (V) The private partner will be responsible for hiring qualified technical personnel as per requirement. The private partner will ensure that the Radiologists deployed by them possess recognized post graduate qualification in Radiology
- (VI) All the operational cost relating to the functioning of the C.T.Scan services including the cost of deployment of personnel (both technical and non-technical) will have to be borne by the private partner.
- (VII) The private partner will obtain necessary permissions and licenses and comply with all statutory requirements for running the operations and produce relevant documents during inspection by statutory authorities.
- (VIII) The private partner will be responsible to set up systems for their own operations in respect of inventory management, customer servicing, financial accounting, record-keeping and MIS.
- (IX) The private partner will coordinate with Superintendent of the District Hospital in regard to operational activities relating to patient servicing on day-to-day basis. In the absence of Superintendent, such coordination will be required to be done with the person authorized by the Superintendent.
- (X) The private partner will required to submit monthly reports in the prescribed format(s) to the Superintendent of the District Hospital with copies endorsed to the CMOH and the DoHFW at the State level.
- (XI) The private partner will also arrange to collect in the prescribed format, the patient satisfaction report, on which remedial actions would to be taken for patient/customer satisfaction through a review mechanism by the DHFWS.
- (XII) The private partner will ensure that the entire system commissioned by it shall be accessible for teaching and training purposes for undergraduates and postgraduates students, if it is required, at any point of time, at predesigned schedule.
- (XIII) The private partner will ensure that the machine will be operational at least for 95% of the time with provision of maximum of 5% of time to be spared for maintenance activities.
- (XIV) The private partner will not undertake any technical addition or alteration without prior permission of DoHFW.

- (XV) The private partner will make timely payment of the service charges to DHFWS as described under Section 6(f).

b) District Health & Family Welfare Samiti (DHFWS)

- (i) The DHFWS concerned will invite bidders to quote their expression of interests and select a private partner as mentioned in paragraph 5. A draft standard format for advertisements in Newspaper(s) is enclosed (**Annexure-IV**).

- (II) The DHFWS will fix the user charges for the C.T.Scan services as described in Paragraph 6.
- (III) The DHFWS will make provision for physical infrastructure for the C.T.Scan Center with rent-free space within the District Hospital premises as per agreed time schedule.
- (IV) The DHFWS will make provision for free water supply.
- (V) The DHFWS will provide necessary NOC to the private partner for installation of separate electric meter and provide necessary help to the private partner for early installation of electricity meter.
- (VI) The DHFWS will extend all support to the private partner and provide necessary help and protection in case of any pressure created by any individual or group on the private partner.
- (VII) The Superintendent of the District Hospital on behalf of DHFWS shall monitor the day-to-day operational activities of the C.T.Scan center
- (VIII) The DHFWS will review the rates of the user charges as and when required

C) Department of Health and Family Welfare (DoHFW), GoWB

- (I) The DoHFW will determine the specification of the plant and machinery and modalities of operation
- (II) The DoHFW will develop Standard Operating Procedures (SOPs) and management system as well as quality assurance system to be followed by the C.T.Scan Center under PPP.

11. Monitoring Mechanism

- a) The Superintendent of the District Hospital on behalf of its DHFWS shall monitor the day-to-day operational activities of the C.T.Scan center. The CMOH concerned will also visit the C.T. Scan center at least once in a month.
- b) A committee authorized by DHFWS, preferably the R.K.S, will undertake the overall monitoring of the C.T.Scan center.
- c) The private partner will be required to submit monthly reports in prescribed format(s) to Superintendent of the District Hospital with copies endorsed to the CMOH and the DoHFW at the State level.

Annexure I

List of District Hospitals

1. M.J.N. (District) Hospital, Coochbehar
P.O. & Dist: Coochbehar
2. District Hospital, Jalpaiguri
Hospital Para Road, P.O. & Dist: Jalpaiguri
3. Darjeeling District Hospital
Darjeeling, Dist: Darjeeling **[One C T Scan Unit has been installed by DoHFW
in North Bengal Medical College and Hospital]**
4. District Hospital Dakshin Dinajpur
Balurghat, Dist: Dakshin Dinajpur
5. District Hospital, Raiganj
Raiganj, Dist: Uttar Dinajpur
6. District Hospital, Malda
P.O. & Dist: Malda **[One C T Scan Unit has been installed by DoHFW]**
7. Murshidabad District Hospital
Baharampore, Dist: Murshidabad
8. Nadia District Hospital
Krishnanagar, Dist: Nadia
9. District Hospital, Barasat
Barasat, Dist: 24 Pgns (N)
10. M.R. Bangur Hospital [District Hospital for 24 Pgns (S)]
Tollygunj, Kolkata 700033 **[One C T Scan Unit has been installed
by DoHFW]**
11. Haora District Hospital
Haora, Dist: Haora
12. Hooghly District Hospital
Chunchura, Dist: Hooghly
13. Suri Sadar Hospital
Suri, Dist: Birbhum
14. Deben Mahato (Sadar) Hospital
P.O. & Dist: Purulia
15. District Hospital, Tamluk
Dist: Purba Medinipore

Annexure II

Grounds of Termination

1. Failure to deliver reports in time as per terms by more than three consecutive occasions
2. Failure to follow Standard Operating Procedures (SOP_s) for performing the tests
3. Overcharging the pre agreed rates
4. Inaccuracy of reports detected in three occasions at least in a quarter
5. Non-compliance to contractual terms and conditions
6. Non-compliance of statutory requirements
7. Criminal Indictment
8. Insolvency

Annexure III

Possession Certificate

Whereas it has been decided by the Government vide Order No. _____ dated _____ that C.T.Scan facilities would be set up in the District Hospital of _____ district under Public Private Partnerships by----- of----- (Private Partner) to provide C.T.Scan Services in accordance with the Agreement executed on ----- between the aforesaid Private Partner and the Chief Medical Officer of Health and the Secretary, District Health & Family Welfare Samiti (DHFWS) of the District;

Whereas in terms of the aforesaid Government Order and the Agreement executed, the District Health & Family Welfare Samiti is required to provide adequate rent free space in the above mentioned -----District Hospital of-----district to the above private partner to set up the C.T.Scan facilities;

Whereas the cover space in total area of -----square feet as indicated in the enclosed site map, within the premises of -----District Hospital has been identified as the project site in respect of the C.T.Scan Centre referred to above.

Now in keeping with the decision of the Government and the Agreement aforesaid, the right of occupancy of the space, details of which are indicated in the site map is hereby handed over to -----(Private Partner) on the following terms and conditions:

The ownership of the project site remains with the Government of West Bengal and the private partner shall have only occupancy right to the project site for running C.T.Scan services till such date as per the agreement executed between Chief Medical Officer of Health & Secretary, DHFWS and the Private Partner shall.

No encumbrance of any nature shall be created in the project site.

The occupant shall not do anything, which would be prejudicial to the soundness and safety of the property or reduce the value thereof.

The occupant shall not sell, transfer or rent out this project site or its part for any purpose whatsoever and the entire site will be used exclusively for C.T.Scan services by the Private Partner of the agreement with the Chief Medical Officer of Health & Secretary of DHFW concerned.

The occupant shall in respect to the said project site be subject to the provisions of the said agreement and shall comply strictly with the covenants, conditions and restrictions set forth in the agreement with Chief Medical Officer of Health & Secretary of DHFW.

The occupant shall vacate the project site in the event of the termination of the agreement or at the end of 5(FIVE) years whichever is earlier.

Date : _____
Place : _____
(Signature)
Chief Medical Officer of Health and
Secretary, District Health & Family Welfare Samiti
District: _____

(Contd.. to next page)

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Received the possession of the above mentioned project site on this day of----- of -----
-----and solemnly declare that I shall abide by all the terms and conditions of the
agreement as well as the terms mentioned in this certificate.

Date :
Place :

(Signature of Private Partner)
Name of the Private Partner:
Name of the Organization:
Address

Format for Advertisement

Applications are invited from interested **private organizations/agencies/individuals** for procurement and installation of one **new Spiral C T Scan machine** at the _____ District Hospital at _____ (Name of District Town).

The capital cost including cost of installation of machines and maintenance cost thereof should be borne by the private organizations/agencies/individuals. The District Health & Family Welfare Samiti (DHFWS) on behalf of the State Government would provide land and structures (if available) and other infrastructural facilities for this purpose on the following terms and conditions :

- (i) The total cost of installation of the C T Scan machines and ongoing costs of maintenance, operational expenditure including cost of manpower electricity, purchase of spare parts, cost of repair and/or replacing parts, components of the said equipments shall be borne by the applicant.
- (ii) Free land and building (if available) necessary for the purpose will be provided by the District Health & Family Welfare Samiti (DHFWS) on behalf of the State Government
- (iii) Power supply to be provided by the applicant.
- (iv) Specifications of the plant and machinery will be determined by the Government
- (v) No technical additions and alterations will be done without permission of the Government
- (vi) Technical and non-technical personnel will be provided by the applicant and the Government/ DHFWS will not bear the responsibility for such engagements.
- (vii) The Government hospitals will refer cases which are to be scanned at the rates to be finalized during execution of agreement.
- (viii) The number of cases to be scanned free of cost will be fixed during execution of the agreement and it should not be less than 10% of the total cases scanned.
- (ix) The rates to be charged for patients not referred by the hospital(s) shall be determined by the Government. A share of 25% of the revenue thus earned per patient may be claimed by the Government.
- (x) The unit shall abide by all the rules and regulations of the hospital campus.
- (xi) It shall be subject to inspection by the Government

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- (xii) The space provided for the installation shall not be used for any other purpose other than diagnostic scanning of patients.
- (xiii) Performance and functioning of the equipment would be subject to inspection of designated officials from the Department concerned.
- (xiv) Termination clause of agreement will be finalized on mutual discussions.

Private organizations, agencies and individuals having sound financial base and proven record interested in this project are requested to submit their applications to the Chief Medical Officer of Health and the Secretary, DHFWS of District within _____ 200 _ by 4.00 p.m. of the day.

Chief Medical Officer of Health and
Secretary, District Health & Family Welfare Samiti of
_____ District