DIRECTORS' REPORT

TO THE MEMBERS

The Directors of the Company are pleased to submit the Audited Financial Statements for the year ended 30 June 2025.

OPERATING HIGHLIGHTS

SEHAT SAHULAT PROGRAMME (SSP)

For the province of Punjab, the Punjab Health Initiative Management Company has been mandated by the Specialized Health Care and Medical Education Department (SHC&MED) for execution /implementation of the Health Insurance Scheme, named Sehat Sahulat Programme (SSP) on its behalf. The Programme's objective is to improve access, cater to, and protect society against catastrophic health expenditure by providing inpatient services.

The Programme was initially launched in 2016 and implemented in 13 districts in Phase I (under Prime Minister National Health Programme Contract signed with Ministry of NHSR&C). In November 2018, approval was given to expand the Programme to all districts of Punjab on enhanced benefit package by Government of the Punjab. In phase II, Programme had been implemented in all 36 districts. As per Phase II Contract, Phase I districts (13 district) were shifted to new package upon completion of previous contract duration. In May 2021, programme was further expanded with the approval of competent authority and remainder permanent residents of Dera Ghazi Khan and Sahiwal divisions were covered under Phase-II for one year i.e. till 25 May 2022.

Pursuant to the direction of provincial cabinet, the coverage of Sehat Sahulat Program was extended to all permanent resident families of Punjab. As of March 31, 2022 all permanent resident families of Punjab were eligible to avail services under SSP (SSP, Phase – III).

Pursuant to the mandate granted to PHIMC by Specialized Healthcare and Medical Education (SHC & ME) Department, GoPb vide letter no. SO(Dev-I) 25-69/2020 dated March 17th, 2021 to collaborate with Federal Ministry of National Health Services Regulations & Coordination (MoNHSR&C) for procurement of Insurance Company for implementation of Universal Health Insurance (UHI)/Sehat Sahulat Program (SSP) Phase – III in Punjab.

The insurance company was selected through open competitive bidding as per PPRA Rules and State Life Insurance Corporation of Pakistan was contracted for a period of 3 years for provision of services under the Programme. The program was extended for six months and completed on June 30, 2025.

As at 30th June 2025, Programme is covering more than 34.7 million families across all 40 districts of Punjab.

SALIENT FEATURES OF SEHAT SAHULAT PROGRAMME FOR PUNJAB

The salient features of the Programme for Punjab are as follows:

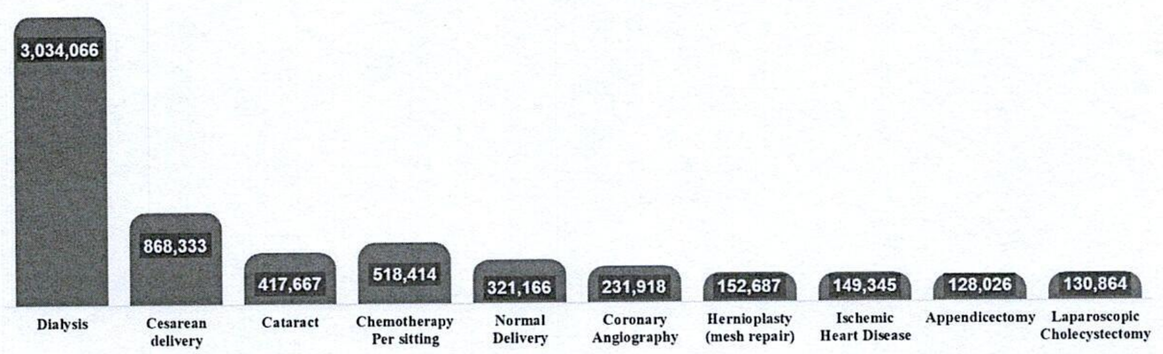
- Eligibility Criteria under Sehat Sahulat Program includes:
  - Population of Punjab earning $2 or less per day as per National Socio Economic Registry (NSER) with score 32.5 PMT or less (for Phase-II).
  - All persons with disabilities (registered with NADRA), transgender (registered with NADRA) (for Phase-II).
  - All permanent resident families of Punjab registered with NADRA (for Phase-III).
- The Programme covers in-patient hospitalization treatment except for exclusions agreed with the Insurance Company.
- The Programme provides two distinct packages:
  1. Secondary care coverage for hospitalization up to PKR 60,000 (Phase – II and Phase – III) per family per year (Enhancement via Excess of Loss & Reserve Fund)
  2. Priority care Coverage for 8 priority diseases up to PKR 300,000 (Phase – II) & PKR 400,000 (Phase III) per family per year (Enhancement via Excess of Loss & Reserve Fund)
- Pre-existing diseases are also covered.
- One day pre-admission and up to five days from the date of discharge, including medicine supply from the hospital and one free follow up is covered in treatment.
- Public and private healthcare facilities registered / provisionally licensed with Punjab Healthcare Commission with minimum 10 beds are entitled for empanelment in the Programme in Punjab.
- Inter-district and Inter-provincial portability is available for all enrolled beneficiaries.
- Transportation cost equal to PKR 1000/- per trip for 3 trips/ year is also provided (Phase -II only).

- Burial support of PKR 10,000 if a beneficiary expires in an empanelled hospital (Phase -II only)
- The Programme also has a toll free helpline and SMS service to register complaints and find eligibility status respectively.
- To assess satisfaction of beneficiaries after discharge, patient feedback calls are conducted by NADRA as an independent third party.

Following is the comparison between Phase I, Phase II and Phase III of the Programme.

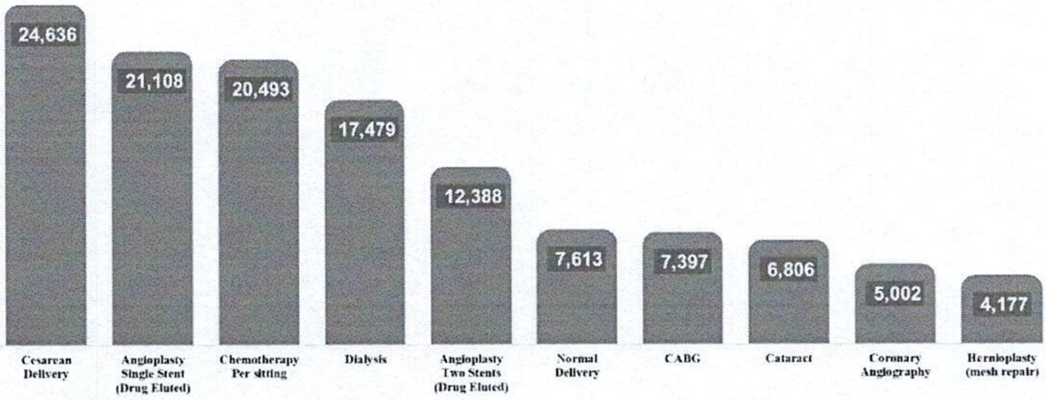
Description	**Sehat Sahulat Programme under Insurance Agreement (Universal Health Insurance)**	**Sehat Sahulat Programme under Government to Government Contract (Universal Health Insurance)**
Districts	36 Districts (All permanent residents of Punjab)	40 Districts (All permanent residents of Punjab
Launch Date	2022	1st July 2025
Benefit Package	PKR 460,000/family/year • Secondary Care – PKR 60,000/- • Priority Care – PKR 400,000/-	PKR 460,000/family/year • Secondary Care – PKR 60,000/ • Priority Care – PKR 400,000/-
Excess of Loss	• Excess of Loss – o Secondary Care – PKR 40,000 o Tertiary Care - PKR 200,000 • Reserve Fund – PKR 300,000	• Excess of Loss – o Secondary Care – PKR 40,000 o Tertiary Care - PKR 200,000 • Reserve Fund – PKR 300,000
Premium	• PKR 4350/family/year • Reserve Fund PKR 40 / family/year	ASO Model • Admin Fee is 5% of paid claims (exclusive of taxes).

TOP 10 Procedures - Admission Wise



Source: SLIC HIMS, from inception to 13th November 2025.

TOP 10 Procedures - Cost wise (PKR In Millions)



Source: SLIC HIMS, from inception to 13th November 2025.

Chief Minister Special Initiatives

During the year, new initiatives were launched in line with the vision of the Honorable Chief Minister of Punjab.

❖ **Chief Minister's Children Heart Surgery Program**

Specialized Healthcare & Medical Department (SHC&MED) authorized PHIMC to act as a Special Purpose Vehicle (SPV) for the implementation of the Chief Minister's Children Heart Surgery Program dated October 22, 2024. All citizens of Pakistan are covered under the program. Selected public and private hospitals have been empaneled according to the required specialties. Only cases that public hospitals cannot undertake due to capacity constraints at the time are referred to private hospitals. Referrals to the private sector are made upon approval by the Regional Committee for Cardio-vascular diseases (CYDs). Following the launch of the aforementioned program, Pediatric Cardiac Surgery procedures have been excluded from the Health Insurance Program. 4,916 procedures (with hospital claims Rs. 1,027 million) have been performed under the program till June 30, 2025. PHIMC has in-house processed the claims and payments of partner hospitals up to June 30, 2025.

❖ **Chief Minister's Special Initiative for Transplant Program**

Specialized Healthcare & Medical Department (SHC&MED) appointed PHIMC as the implementing agency of the Chief Minister's Special Initiative for Transplant Program (CM-SITP) dated as per the approval of the Provincial Cabinet. The CMSITP offers 100% free-of-cost coverage to all permanent residents of Punjab for the following procedures:

- Liver Transplant
- Kidney Transpl1ant
- Bone Marrow Transplant
- Cochlear Implant
- Corneal Transplant

PHOTA approval is mandatory for all types of transplants. PHIMC, through an addendum in the SSP Phase – III agreement, partnered with SLIC for claims management. 300 patients (claims Rs. 699 million) have been treated under the program till June 30, 2025.

❖ **Chief Minister's Special Initiative for Dialysis Program**

The Provincial Cabinet, in its 22nd meeting held on 14th January 2025, appointed PHIMC as the executing agency for the Chief Minister's Special Initiative for Dialysis Program. Dialysis is a high-frequency, high-cost treatment that presents a unique challenge to healthcare financing systems, especially in low- and middle-income countries. Without public financing, dialysis is often unaffordable. At three sessions per week, the annual cost per patient easily exceeds PKR 750,000, excluding additional expenses for vascular access procedures, laboratory investigations, and medications.

The absence of structured financial protection has led to widespread treatment discontinuation, high patient mortality, and catastrophic health expenditure in Punjab. CMSIDP addresses this critical gap by offering 100% free-of-cost dialysis care to the residents of Punjab, thereby preventing health-induced poverty and death. 424,537 procedures (with hospital claims totaling Rs. 2,198 million) have been performed under the program till June 30, 2025.

KEY ACHIEVEMENTS AND PERFORMANCE INDICATORS

DESCRIPTION	As at 30th June					
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
No. of Cumulative Districts (Services Started)	36	36	36	40	40	40
No. of UHI Districts	-	7 (1- Year)	36	40	40	40
Beneficiary Families Enrolled (Cumulative) (figures in millions)	4.984	8.596	29.007	32.210	33.607	34.7
Admissions (Cumulative) (figures in millions)	0.180	0.404	1.595	4.715	7.28	9.39
No. of empanelled hospitals	173	267	802	875	365	365
Beneficiary Satisfaction Ratio	98%					

Source: SLIC HIMS, NADRA and published accounts of PHIMC.

FUTURE OUTLOOK

PHIMC has entered into a Government-to-Government (G–G) agreement with the State Life Insurance Corporation (SLIC) for the implementation of all the health protection initiatives, including the Sehat Sahulat Program (SSP), Chief Minister's Special Initiative for Dialysis Program (CMSIDP), Chief Minister's Special Initiative for Transplant Program (CMSITP), and Chief Minister's Children Heart Surgery Program (CMCHSP) from 1st July 2025. The agreement is based on an Administrative Services Only (ASO) model where SLIC functions as the administrative and claims management entity.
Under this framework, SLIC is primarily responsible for implementing program operations, including beneficiary management, claims processing, hospital liaison, and reporting, whereas PHIMC exercises oversight, policy, and program management functions. This will result in a significant reduction in the management cost of these projects.

Furthermore, this new framework will also enable greater flexibility in introducing reforms, such as benefit package restructuring, copayment mechanisms, and hospital-specific service controls, in line with provincial health priorities.

FINANCIAL HIGHLIGHTS **(PKR Millions)**

Description	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Government Grant(s) Received	2,000	22,642	60,000	51,138	48,000	40,425
Program Cost	7,299	10,820	53,641	120,673	143,150	73,971
Operating Expenses	122	124	163	232	300	352
Capital Expenditures	-	-	6	29	3	30

Source: published accounts of PHIMC.

COMMITMENTS

The insurance agreement for Sehat Sahulat Program Phase – III was concluded on June 30, 2025. With the approval of the board of PHIMC in its 98th meeting held on 21st June 2025, PHIMC signed a Government-to-Government agreement with SLIC for UHI and Special Initiatives under the ASO model. UHI implementation will be continued exclusively through private hospitals, and other initiatives will be executed through both public and private hospitals. Budgetary allocations for all these programs have been approved in the Annual Development Plan (ADP) for FY 2025-26 as follows:

Description	Amount (PKR in Millions)
Implementation of Universal Health Coverage under the Health Insurance Program in Punjab	25,000
Chief Minister's Special Initiative for Dialysis Program	8,663
Chief Minister's Special Initiative for Transplant Program	3,639
Chief Minister's Children Heart Surgery Program	3,212
Total	**40,514**

Following the de-empanelment of Public sector hospitals and implementation of the ASO model, the administrative cost on UHI will be significantly reduced.

BOARD OF DIRECTORS OF PHIMC

During the financial year ended on June 30, 2025, thirteen (13) Board meetings were held. The details of Board and Committee Meetings attended by members are as under:

DIRECTORS OF BOD OF PHIMC	MEETINGS (13)
Mr. Khawaja Salman Rafique Minister for SH & ME Department (Chairperson)	12
Secretary Government of the Punjab, SH & ME Department	13
Chief Operating Officer Punjab Healthcare Commission.	13
Additional Finance Secretary (Health & Agriculture) Government of Punjab, Finance Department	10
Dr. Adnan Khan Health Economist	8
Dr. Zahid Pervaiz Ex DG Health Services (DGHS)	13
Dr. Shujat Ali, Ex-Dean, National Management College.	13
Ms. Parveen Agha, Civil Servant Retired.	13
Ch. Sultan Mehmood, Advocate Supreme Court.	5
Chief Executive Officer, Punjab Health Initiative Management Company	13
Chairman Planning and Development Board, Punjab	-
Director General Punjab Information Technology Board (PITB)	-

Source: Meeting Attendance Sheets and minutes of meetings.

HUMAN RESOURCE COMMITTEE OF THE BOD OF PHIMC	MEETINGS (2)
Dr. Zahid Pervaiz Ex, DG Health Services	2
Secretary Government of the Punjab, Specialized Healthcare & Medical Education Department	2
Dr. Shujaat Ali Ex-Dean, National Management College.	2
Ch. Sultan Mehmood Advocate Supreme Court	1
Chief Executive Officer Punjab Health Initiative Management Company	2
Additional Finance Secretary (Health & Agriculture) Finance Department, Government of Punjab	1

BUDGET & FINANCE COMMITTEE OF THE BOD OF PHIMC	MEETINGS (2)
Dr. Shujaat Ali Ex-Dean, National Management College	2
Secretary Government of the Punjab, Specialized Healthcare & Medical Education Department	2
Additional Finance Secretary (Health & Agriculture) Finance Department, Government of the Punjab	2
Chief Executive Officer Punjab Health Initiative Management Company	2
Chairman Planning and Development Board, Punjab	-

PROCUREMENT COMMITTEE OF THE BOD OF PHIMC	MEETINGS (4)
Secretary Government of the Punjab, Specialized Healthcare & Medical Education Department	4

Ms. Parveen Agha Civil Servant Retired.	3
Chief Executive Officer Punjab Health Initiative Management Company	4
Director General Punjab Information Technology Board (PITB)	-

AUDIT COMMITTEE OF THE BOD OF PHIMC	MEETINGS (3)
Ms. Parveen Agha Civil Servant Retired.	3
Ch. Sultan Mehmood Advocate Supreme Court.	1
Additional Finance Secretary (Health & Agriculture) Finance Department, Government of Punjab.	3
Dr. Zahid Pervaiz Ex, DG Health Services	-
Chairman Planning and Development Board, Punjab	-

NOMINATION COMMITTEE OF PHIMC	MEETINGS (0)
Meeting was scheduled on 25.2.2025 but postponed due to want of quorum.	-

MONITORING AND EVALUATION COMMITTEE OF THE BOD OF PHIMC	MEETINGS (1)
CEO/COO Punjab Healthcare Commission.	1
Ms. Parveen Agha, Civil Servant Retired.	1

Dr. Shujat Ali Ex Dean, National Management College.	**1**
CEO, PHIMC	**1**
Chairman Planning and Development Board, Punjab	**-**

EMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Board members and their representatives are paid a meeting fee of Rs. 62,500 per meeting against attending the board and its committee meetings. During FY 2024-25 expense of Rs.12.08 million has been recorded in the financial statement on account of meeting fee.

Total benefits of CEO recorded in the financial statements on account of salary and benefits are Rs. 31.44 million.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of your company state that:

a) The financial statements, prepared by the management of the company fairly present the state of affairs, the result of its operations, cash flows and changes in funds.
b) Proper books of account of the company have been maintained.
c) Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
d) The financial statements have been prepared in conformity with the Companies Act, 2017 and International Financial Reporting Standards, as applicable in Pakistan.
e) Internal control system is sound in design and has been effectively implemented and monitored.
f) There are no doubts about the Company's ability to continue as a going concern.
g) Significant plans and decisions have been outlined.
h) The number of Board and Committees' meetings held during the year and attendance by each director is detailed above.

PHIMC
Punjab Health Initiative Management Company
Govt. of the Punjab

Punjab Health Initiative Management Company

(A company set up under section 42 of the Companies Act, 2017)

GOVERNMENT OF THE PUNJAB

EXTERNAL AUDITORS

M/s Crowe Hussain Chaudhury & Co, Chartered Accountants were engaged for audit of the accounts for the FY 2024-25 ended on 30th June 2025.

ACKNOWLEDGEMENT

We, for and on behalf of the Directors, would like to take this opportunity to express our appreciation for the commitment, loyalty and dedication of our team. Further, we would like to acknowledge the professional support and cooperation received from our service delivery partners, vendors, bankers and other stakeholders.

For and on Behalf of Directors

CHIEF EXECUTIVE OFFICER **DIRECTOR**

42-D/E-1, Ghalib Road, Gulberg-III, Lahore, Pakistan.

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