PHIMC
PUNJAB HEALTH INITIATIVE
MANAGEMENT COMPANY

# DIRECTORS' REPORT

## TO THE MEMBERS

The Directors of the Company are pleased to submit the Audited Financial Statements for the year ended 30 June 2021.

## 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 Health Insurance Scheme, named Sehat Sahulat Programme (SSP) on its behalf. The Programme's objective is to improve access, cater to and protect the marginalized segment of the society against catastrophic health expenditure by providing in-patient services, through a cashless scheme.

This Programme aims to benefit approximately 10 million eligible families comprising of approximately 40 million individuals in all 36 districts of Punjab under the current phase.

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 has been implemented in all 36 districts. As per Phase II Contract, Phase I districts (13 district) have been shifted to new package upon completion of previous contract duration. In May 2021, Provincial Cabinet of Punjab approved the expansion of SSP phase-II to cover the remainder permanent residents of Dera Ghazi Khan and Sahiwal divisions for a period of one policy year. Accordingly, these two divisions added in current contract (Phase-II) for one policy year starting from 26 May 2021 to 25 May 2022. The Programme is fully funded by Government of the Punjab i.e. 100% premium is being paid by GoPb.

Further, National Steering Committee of Sehat Sahulat Program, Ministry of National Health Services, Regulation and Coordination led the process of procurement of services of insurance company for the provision of in-patient services under the Programme. The insurance company was selected through open competitive bidding as per Federal PPRA Rules 2004 and State Life Insurance Corporation of Pakistan was contracted for a period of 3 years for provision of services under the Programme.

Till 30th June 2021, Programme is benefitting **8,596,159** enrolled families comprising of approximately **37.4 million** enrolled members in **36** districts of Punjab.

**SALIENT FEATURES OF SEHAT SAHULAT PROGRAMME (PHASE-II) FOR PUNJAB**

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

- Eligibility criteria in the current Programme (SSP Phase-II) is Population earning $2 or less per day as per National Socio Economic Registry (NSER) with score 32.5 PMT or less. Furthermore, all persons with disabilities (registered with NADRA), transgender (registered with NADRA) and all permanent residents of DG Khan and Sahiwal divisions without any poverty ranking are also eligible for the Health Card.
- For verification and transparency purpose, household data of NSER with score 32.5 PMT or less is converted into valid families by NADRA and then transferred to Insurance Company for enrolment. For DG Khan and Sahiwal divisions, data of permanent residents is also taken from NADRA.
- A Family comprises of Individual, Spouse and unmarried children. There is no capping on family size or number of members.
- To carry out enrollment activity for the eligible families, Beneficiary Enrollment Centers (BECs) are established in respective districts till enrollment reaches a satisfactory percentage.
- The Programme covers in-patient hospitalization treatment except for exclusions as per contract.
- The Programme provides two distinct packages:
    1. Secondary care coverage for hospitalization up to PKR 60,000 per family per year (Enhancement via Excess of Loss & Over Excess of Loss)
    2. Priority care Coverage for 8 priority diseases up to PKR 300,000 per family per year (Enhancement via Excess of Loss & Over Excess of Loss)
- 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 free follow up is covered in treatment.
- After enrolment in the scheme, the beneficiary is eligible to go to any empaneled hospital across the country.
- Public and private healthcare facilities registered by 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.
- Burial support of PKR 10,000 if a beneficiary expires in an empanelled hospital
- 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 and Phase II of the Programme.

| **Description** | **Prime Minister National Health Programme – Phase I** | **Sehat Sahulat Programme – Phase II** |
|---|---|---|
| Districts | 13 | 36 (Starting from 23 districts and 13 district on completion of phase-I has been shifted to Phase-II) |
| Eligibility | 32.5 PMT | • 32.5 PMT, Disabled persons and Transgenders as per NADRA<br>• Remainder families of DG Khan and Sahiwal for 1 year |
| Launch Date | 2016 | 2019 |
| Benefit Package | PKR 300,000/family/year<br>Secondary Care – PKR 50,000/-<br>Priority Care – PKR 250,000/- (7 diseases)<br>Transport – PKR 350/- per visit up to 3 visits | PKR 360,000/family/year<br>Secondary Care – PKR 60,000/-<br>Priority Care – PKR 300,000/- (8 diseases)<br>Transport – PKR 1000/- per visit up to 3 visits<br>Burial Support – PKR 10,000/- per death |
| Excess of Loss | Excess of Loss Only – PKR 300,000/- | Excess of Loss – PKR 360,000/-<br>Over Excess of Loss – PKR 360,000/- |
| Premium | PKR 1300/family/year | PKR 1998/family/year |

## KEY ACHIEVEMENTS AND PERFORMANCE INDICATORS

| DESCRIPTION | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|---|
| No. of Cumulative Districts (Services Started) | - | 4 | 13 | 20 | 36 | 36 |
| No. of UHI Districts (Services for One Year) | - | - | - | - | - | 7 |
| Beneficiary Families Enrolled (Cumulative) | - | 635,581 | 1,589,699 | 2,519,956 | 4,983,923 | 8,596,159 |
| Admissions (Cumulative) | - | 12,819 | 42,842 | 85,047 | 180,050 | 403,672 |
| Beneficiary Satisfaction Ratio | 97% | | | | | |

## FUTURE OUTLOOK

Provincial Cabinet of Punjab in its 40th meeting approved the expansion of SSP to cover 100% population of Punjab (permanent residents as per NADRA record) till December 2021 with PHIMC as executing agency. Further, Provincial Cabinet in its 44th meeting approved that Punjab will join Federal Government for joint procurement of insurance company to achieve Universal Health Insurance in Punjab and funding will be from development side through ADP. Accordingly, PC-1 of the scheme "Implementation of Universal Health Coverage under Health Insurance Program in Punjab" approved by ECNEC on 24-11-2022. As per revised implementation plan of the program / scheme approved by Provincial Cabinet in its 50th meeting, services in Lahore division started from 01.01.2022 and PHIMC is working on the various aspects of the said expansion for successful launch in remaining divisions till March 2022 as per directions of the Government.

## FINANCIAL HIGHLIGHTS (PKR Millions)

| Description | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|---|
| Government Grant(s) Received | 250 | 1,798 | 1,096 | 6,595 | 2,000 | 22,642 |
| Program Cost | - | 475 | 1,201 | 2,473 | 7,299 | 10,820 |
| Operating Expenses | 9 | 69 | 134 | 126 | 122 | 124 |
| Capital Expenditures | - | 21 | 10 | 21 | - | - |

PHIMC
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## COMMITMENTS

The Company is implementing the Sehat Sahulat Programme in collaboration with Federal Government, Ministry of National Health Services Regulation & Coordination (MoNHSR&C). As per revised implementation plan of the program / scheme approved by Provincial Cabinet in its 50th meeting, 100% population of Punjab will be covered till March 2021. For this purpose, a joint procurement activity with MoNHSR&C is complete and agreement has been signed under the supervision of National Steering Committee having the representation of all the provinces and regions. New premium rate is Rs. 4,350 per family per year. Beneficiaries covered under the current Phase-II of the program will continue and after legal expiry of Phase-II contract they will migrate to UHI under Phase-III.

## BOARD OF DIRECTORS OF PHIMC

During financial year ended on 30th June 2021, nine (9) Board meeting were held. The details of Board and Committee Meetings attended by members / their representatives are as under:

| DIRECTORS OF BOD OF PHIMC | MEETINGS (9) |
|---|---|
| **Mr. Khawaja Farooq Saeed**<br>Chairman (R) Appellate Tribunal Inland Revenue/Chairman of BoD PHIMC | 9 |
| **Chairman Planning and Development Board,**<br>Punjab | 8 |
| **Chief Executive Officer / Chief Operating Officer,**<br>Punjab Health Care Commission | 9 |
| **Secretary, Specialized Healthcare & Medical Education Department,**<br>Government of the Punjab | 9 |
| **Secretary, Finance Department,**<br>Government of the Punjab | 9 |
| **Director General,**<br>Punjab Information Technology Board (PITB) Lahore | 9 |
| **Prof. Dr. Mahmood Ayyaz,**<br>Ex-Principal of Services Institute of Medical Sciences | 9 |

| | |
|---|---|
| **Mr. Tanveer Alam**<br>CEO TRT Associates, Actuaries & Management Consultant | 5 |
| **Ms. Naila H. Maqbool,**<br>Member Board of Management and Chair Vigilance Committee, Allama Iqbal Medical College | 3 |
| **Chief Executive Officer**<br>Punjab Health Initiative Management Company | 8 |

| MEMBERS OF HUMAN RESOURCE COMMITTEE OF PHIMC | MEETINGS (5) |
|---|---|
| **Mr. Khawaja Farooq Saeed**<br>Chairman (R) Appellate Tribunal Inland Revenue/Chairman of BoD PHIMC | 5 |
| **Secretary, Specialized Healthcare & Medical Education Department,**<br>Government of the Punjab | 4 |
| **Mr. Tanveer Alam**<br>CEO TRT Associates, Actuaries & Management Consultant | 3 |
| **Ms. Naila H. Maqbool,**<br>Member Board of Management and Chair Vigilance Committee, Allama Iqbal Medical College | 3 |
| **Prof. Dr. Mahmood Ayyaz,**<br>Ex-Principal of Services Institute of Medical Sciences | 1 |

| MEMBERS OF BUDGET & FINANCE COMMITTEE OF PHIMC | MEETINGS (1) |
|---|---|
| **Secretary, Specialized Healthcare & Medical Education Department,**<br>Government of the Punjab | 1 |
| **Secretary, Finance Department,**<br>Government of the Punjab | 1 |
| **Chairman Planning and Development Board,**<br>Punjab | 1 |
| **Chief Executive Officer**<br>Punjab Health Initiative Management Company | 1 |

| MEMBERS OF PROCUREMENT COMMITTEE OF PHIMC | MEETINGS (1) |
|---|---|
| **Secretary, Specialized Healthcare & Medical Education Department,**<br>Government of the Punjab | 1 |
| **Director General,**<br>Punjab Information Technology Board (PITB) Lahore | 1 |
| **Chief Executive Officer**<br>Punjab Health Initiative Management Company | 1 |

| MEMBERS OF AUDIT COMMITTEE OF PHIMC | MEETINGS (1) |
|---|---|
| **Mr. Tanveer Alam**<br>CEO TRT Associates, Actuaries & Management Consultant | 1 |
| **Secretary, Finance Department,**<br>Government of the Punjab | 1 |
| **Chairman Planning and Development Board,**<br>Punjab | 1 |
| **Ms. Naila H. Maqbool,**<br>Member Board of Management and Chair Vigilance Committee, Allama Iqbal Medical College | 1 |

| MEMBERS OF NOMINATION COMMITTEE OF PHIMC | MEETINGS (3) |
|---|---|
| **Mr. Khawaja Farooq Saeed**<br>Chairman (R) Appellate Tribunal Inland Revenue/Chairman of BoD PHIMC | 3 |
| **Secretary, Specialized Healthcare & Medical Education Department,**<br>Government of the Punjab | 3 |
| **Prof. Dr. Mahmood Ayyaz ,**<br>Ex-Principal of Services Institute of Medical Sciences | 3 |

## 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 / representative is detailed above.

**EXTERNAL AUDITORS**

M/s Earnest &Young, Chartered Accountants were engaged for audit of the accounts for the FY ended on 30th June 2021.

**ACKNOWLEDGEMENT**

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

For and on Behalf of Directors

**CHIEF EXECUTIVE OFFICER** **CHAIRMAN OF BOD**