F.No.3/34/2024-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)
*****

STCs Building, Janpath New Delhi
Dated: 26th November 2025

Record of Discussion

Subject: Record of Discussion of the 51st meeting of the Empowered Committee to consider granting In-Principle Approval for VGF support to the proposal "Development of Medical College and District Hospital at Giridih, Khunti, Dhanbad, Deoghar, and Jamtara in Jharkhand received from Department of Health, Medical Education and Family Welfare, Government of Jharkhand.

Reference: i. 50th EC meeting held on 28th July 2025.
ii. 51st EC meeting held on 28th October 2025.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 51st meeting of the Empowered Committee held on 28th October 2025 to consider granting In-Principle Approval for VGF support to the proposal "Development of medical college and district hospital at Giridih, Khunti, Dhanbad, and Jamtara in Jharkhand received from Department of Health, Medical Education and Family Welfare, Government of Jharkhand.

2. This issues with the approval of the Competent Authority.

Arya Balan Kumari
(Joint Director)

To,

1. **Secretary, Ministry of Health and Family Welfare, Nirman Bhawan, New Delhi-01**
2. **Additional Chief Secretary, D/o Health, Medical Education and Family Welfare, Government of Jharkhand**
3. **Secretary, Department of Expenditure, North block, New Delhi-01**
4. **CEO, NITI Aayog, Yojana Bhawan, New Delhi-01**

Copy to:

1. **Sr. PPS to Secretary (EA)**
2. **PPS to JS (ISD)**
3. **PPS to Advisor (Energy)**

Subject: Record of Discussion of the 51st meeting of the Empowered Committee to consider Granting In-Principle Approval for VGF support to the proposal "Development/upgradation of the Existing District Hospital to Medical College at Giridih, Khunti, Dhanbad, Deoghar, and Jamtara in the State of Jharkhand on PPP mode."

1. The 51st meeting of the Empowered Committee was held on 28th October 2025 at 12:15 hours under the Chairmanship of Secretary (EA) to consider the proposal of development/upgradation of the existing district hospital to medical colleges in five Districts of Government of Jharkhand.

2. List of attendees is placed at ***Annexure-I.***

3. The Department of Health, Medical Education and Family Welfare, Government of Jharkhand initially submitted the proposal for the development/upgradation of district hospital to medical college in East Singhbhum (Jamshedpur), Giridih, Khunti, Dhanbad, Deoghar, and Jamtara under the VGF Scheme of Government of India. These proposals were considered by the Empowered Committee (EC) in its 50th meeting held on 28.07.2025 and the Committee raised a few observations. Accordingly, the Government of Jharkhand has revised and resubmitted the proposal for five districts, dropping the proposal for East Singhbhum (Jamshedpur), in line with the Committee's observations. The EC's observations and the compliances are placed at ***Annexure-II***.

4. With the permission of the Secretary (EA), JS (ISD) requested the Department of Health, Medical Education and Family Welfare, Government of Jharkhand, to make a presentation on the revised proposal submitted to the EC.

5. The Additional Chief Secretary, Department of Health, Medical Education and Family Welfare, Government of Jharkhand made a presentation on the proposal to the Empowered Committee.

6. The basic details of the project are given in ***Annexure-III*.**

7. Jharkhand faces a severe shortage of healthcare infrastructure and professionals. The State has only 0.18 doctors per 1,000 population as compared to the national average of 0.96. As per NMC norms, Jharkhand needs 39 medical colleges for its 3.92 crore population, but currently has only ten (07 government and 03 private) medical colleges in 09 districts, leaving 15 districts without any medical college. Further, the bed availability is also very low which is 0.8 per 1,000 population as compared to the national average of 1.5. Further, the tertiary care facilities are also concentrated in Ranchi and Jamshedpur, while districts like Khunti, Giridih, and Jamtara lack even

basic specialized healthcare, forcing patients to move to other districts seeking medical care. The State also witnesses an annual patient outflow of ~1.2 lakh seeking tertiary care outside the State.

8. Therefore, the State Government intends to develop/upgrade the existing district hospital to medical colleges in the five districts of Jharkhand, namely, Dhanbad, Jamtara, Giridih, Deoghar and Khunti on PPP mode. The existing bed capacities in these districts range from 100 to 150 beds, with additional planned beds of 320 each in Dhanbad and Jamtara, 420 in Giridih, 270 in Deoghar, and 90 in Khunti. The land area will be handed over to the Concessionaire for the upgradation/development of district hospital to medical college. The project construction period ranges from 1 to 3 years for hospital development and 3 to 4 years for medical college development, with medical college seat capacities of 100 each in all the districts except in Khunti where the proposed seat is 50. The combined total project cost of the five district is Rs. 1,559 crore and equity IRR across projects is consistent at around 15–16%. The projects are proposed for 60-year concession period.

9. All the proposals were submitted under Sub-scheme II of the VGF Scheme with 40% of the TPC sought as capital grant and 25% of NPV of O&M Cost for the first 5 years after COD of Phase-I as operational grant from Government of India. The Government of Jharkhand shall provide a capital grant of 20% and an operational grant of 15% to all the projects except for Khunti where a capex grant of 40% and opex grant of 25% shall be provided.

10. After the presentation the Chair asked the EC members for their observation.

11. JS, DoE raised the following observation:

a) The construction period proposed is for 2 years for hospital development, followed by 4 years for the medical college, resulting in a total timeline of 6 years. Why can't the construction of medical college commence immediately after the COD of the hospital? The hospital may easily achieve the occupancy rate of 85% within 2 years from COD of the hospital.

b) The technical eligibility criteria of the bidders consist of two categories: Category-I requires five years of experience in operating and managing a recognized medical college with an associated hospital under applicable laws. Category-II requires five-years of experience in managing a NABH-accredited hospital with at least 300 beds. It is suggested that Category-II be removed, as there are numerous players with hospital experience who may qualify under this criterion but may not be capable of managing a medical college.

c) There is an ongoing Centrally Sponsored Scheme (CSS) that allocates Rs. 325 crore for setting up hospitals and medical colleges, fully funded by the Government of India. How does this model different from the proposed PPP model where we are spending nearly the same amount as VGF, but private investment remains minimal? `

12. Advisor, DEA raised the following observation:

a) Whether 10.34 acres of land is fully available with the authority in Dhanbad? If not, how much land to be acquired?

13. JS, MoHFW raised the following observation:

a) Who are the eligible bidders for developing and maintaining the proposed medical college?

14. JD, DEA raised the following observation:

a) As per the response given by the PSA (Project Sponsoring Authority) to the observations of the 50th EC, the hospital bed utilization is reported to be 100% for all five projects. However, the Detailed Project Report (DPR) indicates lower utilization rates. Why is the bed utilization rate differing from the DPR?

b) Among the proposed five districts, Deoghar has an AIIMS and Dhanbad has a medical college. What is the justification for coming up with an additional Medical College in these districts? Whether the projects can be considered under the Sub-scheme-I of the VGF Scheme?

15. The Chair made the following observation:

a) The MoHFW plans medical colleges at the state level to ensure equitable distribution across the state, rather than limiting development to district boundaries. Given this, the consideration to establish medical colleges at the district level represents a shift in approach. What are the current norms and guidelines governing the setup of medical colleges ?

b) Out of the proposed districts, how many districts are aspirational districts?

c) As per the medical college map presented, the State has a total of 10 medical colleges which includes 07 Government colleges and 03 private colleges. However, the map also highlights three under construction colleges. Are these colleges including or excluded in the above mentioned 10 medical colleges?

d) There is a significant variation in the land area being handed over to concessionaires, despite all projects having a similar scope. Why does such disparity exist? Furthermore, what are the Ministry of Health's prescribed norms for land requirements?

e) Why has a hospital and medical college been proposed at Deoghar when AIIMS is already operational there? Additionally, why was the district of Godda not considered, given that most proposed hospital and colleges are concentrated in the central part of the state, leaving the eastern districts underserved?

f) The construction cost in the current proposal is significantly lower than in the earlier submitted proposal. What factors contributed to this reduction?

g) What is the bid parameter for this project, and what kind of experience is required from bidders to qualify?

h) Are operators who only run hospitals capable of managing a medical college as well?

i) Under technical qualification criteria Category-II, which requires experience in operating and managing at least one NABH-accredited hospital with 300 beds for the past five financial years preceding the Bid Due Date, how many potential operators in India meet this criterion without owning a medical college?

j) In terms of proportion, what is the ratio of free patients to market patients and its impact on the project revenues?

k) Is there any capping for the rates applicable for market patient?

l) In Khunti, the Government of Jharkhand is proposing 40% of Capex and 25% of Opex in addition to the maximum grants provided by GoI. Whereas in rest of the four districts, the capex grant from Government of Jharkhand is 20% and opex grant 15%. What is the justification for proposing higher percentage of VGF grant?

m) Why is Jamtara, a non-aspirational district, proposed under Sub-Scheme II of the VGF Scheme?

16. MoHFW / Department of HMF, GoJ submitted the following replies to the above observations:

a) The original construction timeline of 7–8 years has already been reduced to 6 years in the current proposal. However, this can be further optimized to a 2+2-year schedule i.e., 2 years for hospital development and 2 years for medical college construction, by allowing the concessionaire flexibility to commence college construction immediately after the hospital achieves COD with a long-stop date of additional 1 year for starting the medical college construction.

b) The removal of Category-II may not be advisable because a 300-bed NABH-accredited hospital is a substantial facility, and managing such an institution requires significant operational expertise. While there are players with hospital experience, the number of operators capable of managing hospitals of this size with accreditation is limited. Therefore, including Category-II ensures that bidders have proven capacity to handle large-scale healthcare operations, which is essential for maintaining quality and competitiveness.

c) While the CSS scheme covers 100% of the capital expenditure, it does not address operational expenses, which are substantial when the government runs both the hospital and the medical college. Additionally, PPP hospitals are expected to deliver better infrastructure, improved patient care, and efficient management. The proposed 05 hospitals under PPP will function as a district hospital with free OPD services, and other services as per the prevailing norms. Moreover, government-led recruitment for hospital and college staff is often challenging, whereas private operators can manage this more effectively. Therefore, despite similar upfront costs, the PPP model offers long-term sustainability and service quality advantages.

d) The entire 10.34 acres of land in Dhanbad is already available with the authority, and no additional land acquisition will be required.

e) Eligible bidders include the private sector SPVs registered as a trust or society under Section 8 of the Companies Act, ensuring compliance with statutory norms for not-for-profit entities.

f) The utilization provided in the DPR was per the 2022-23 assessment, whereas the current utilization of 100% is the assessment as of 2025.

g) The medical college in Dhanbad is proposed as per the NMC norms i.e. a medical college for every 10-lakh population. The current district population of Dhanbad is 29.59 lakh. The proposal was initially assessed under VGF Sub-scheme-I, however the project was not viable. Therefore, it is now proposed under Sub-scheme-II to ensure feasibility and better financial support.

h) Initially, the Ministry of Health considered setting up of medical college in every district however this approach was later revised based on population norms rather than district boundaries. As per NMC guidelines, one medical college is recommended for every 10-lakh population, ensuring equitable access to medical education and healthcare across the state.

i) Out of the five proposed districts for district hospital and medical college development, only Giridih and Khunti fall under the category of aspirational districts.

j) The total count of medical colleges will include the existing 10 medical colleges (07 government and 03 private), plus 03 government colleges currently under construction. This brings to a total of 13 medical college. In additional to that, the instant proposal is for the development of 05 new medical college which brings the overall planned network to 18 medical colleges.

k) The earlier norm mandated 20 acres for the development of hospital and medical college, but this requirement was removed to allow flexibility through vertical development. In the current proposals, land allocation is based on availability and cost-efficiency. For instance, in Dhanbad, where land is scarce, only about 10 acres have been allotted, encouraging vertical construction. Conversely, in locations where land is available, relatively larger parcels have been provided to enable horizontal development, as vertical construction significantly increases project costs and may not attract bidders. This approach ensures a balanced strategy—optimizing land use while maintaining project viability and attractiveness.

l) The development of district hospital and medical college in Godda is already planned under Phase-3 of the development strategy. The rationale for proposing a facility in Deoghar, despite the presence of AIIMS, is to divert secondary care patients to the district hospital which is current flooding AIIMS. This will allow AIIMS to concentrate exclusively on tertiary care, ensuring better utilization of resources and improved patient services.

m) The revised construction cost has been aligned with benchmarks from similar district hospital and medical college projects in Uttar Pradesh and Arunachal Pradesh. By adopting these reference models and estimates, the cost has been reassessed and reduced.

n) The bid parameter is based on the lowest grant, calculated as the sum of the Capital Grant and the Net Present Value (NPV) of O&M costs for the first five years after COD of Phase-1, discounted at 10%. To maintain financial discipline, grants

are capped at 60% of the estimated project cost for capital and 40% of the NPV of O&M costs for the first five years, with a special provision for Khunti allowing 80% capex and 50% opex grants. In terms of eligibility, bidders must demonstrate strong financial and technical capacity. Financially, they should have a minimum net worth of 25% of the estimated project cost at the close of the preceding financial year. Technically, they must have experience in operating and managing at least one recognized medical college with an associated hospital for the past five years, or alternatively, managing at least one NABH-accredited hospital with 300 beds for the same duration.

o) Any operator currently managing a 300-bed NABH-accredited hospital is also capable of running a medical college.

p) There are approximately 350 medical colleges and nearly 30,000 hospitals. However, the requirement for NABH accreditation and a minimum size of 300 beds significantly narrows the field ensuring that only highly qualified and experienced operators are considered.

q) In Dhanbad, Jamtara, and Giridih, free beds constitute 39% of the total beds while market beds account for 61%. In Deoghar, free beds make up 49% and market beds 51%. Khunti has the highest proportion of free beds at 67%, with market beds at 33%. In terms of revenue, it is expected that the free patient's footfall will be significantly higher, as compared to paid patients where private hospitals are also available. For the concessionaire, revenue from free patients will remain assured but marginal under Ayushman reimbursement rates, making additional revenue streams critical for project viability. Further, the tuition fees for the medical college will be determined by the Fee Fixation Committee based on hospital revenue and cost structure—higher hospital revenue translates to lower tuition fees and vice versa. This mechanism ensures no windfall gains or losses for the concessionaire. The key concern is maintaining tuition fees at a competitive level to attract students, avoiding any scenario where fees become exorbitantly high.

r) The rate for the market patient is capped at 1.5 times of the CGHS rate.

s) Based on the recommendations of the 50th Empowered Committee (EC) meeting, the proposal was reassessed for viability with a grant structure of 60% Capex and 40% Opex. Considering the low population of the area, a 220-bedded hospital and a 50-seat medical college are being proposed. Given the low population, the proposal was found to be unviable under the 60% Capex and 40% Opex grant structure. Accordingly, the Government of Jharkhand has proposed to provide 80% Capex and 40% Opex as VGF support. Further, Khunti is also an aspirational district without any medical college.

t) In Jamtara, the health infrastructure is inadequate and there is no existing medical college. Further, the proposed medical college in Jamtara is expected to cater to the healthcare needs of the North-Eastern districts of the state.

Recommendation

17. Considering the above discussion, the Empowered Committee unanimously recommended the following projects to the Competent Authority for In-principle approval:

a) The proposals for establishing medical colleges in **Giridih, Khunti, and Jamtara** are recommended under Sub-scheme-II of the VGF Scheme.

b) For Giridih and Jamtara the Capex grant is capped at 60% of TPC (i.e., 40% from Government of India and 20% from Government of Jharkhand) and the Opex grant is capped at 40% of the NPV of O&M cost for the first five years after COD (i.e. 25% from Government of India and 15% from Government of Jharkhand).

c) For Khunti, the Capex grant is capped at 80% of TPC (i.e. 40% from Government of India and 40% from Government of Jharkhand) and Opex grant is capped at 50% of the NPV of O&M cost for the first five years after COD (i.e. 25% from Government of India and 25% from Government of Jharkhand).

d) Given that Dhanbad already has medical college, the need for approving the medical college under Sub-scheme-II is not justified. However, considering the population of around 30 lakhs with insufficient health care facilities, the EC recommends that the proposal of **Dhanbad** shall be tested under Sub-scheme I of the VGF Scheme. Accordingly, Government of India Capex grant of 30% of the TPC is recommended. The Government of Jharkhand can also fund upto 30% over and above the GoI share of Capex grant.

e) With AIIMS already present in **Deoghar,** the proposal of upgrading a district hospital to a medical college is deemed unnecessary and therefore not recommended.

f) The Capex VGF and Opex VGF shall remain unchanged as stated in Para 17(b) (c), (d) and (h) in the event of any further increase in Total Project Cost or Opex Cost, respectively.

g) The O&M Grant from Government of India shall be subject to the lower of:

i. O&M Grant for the year as finally approved by the EC;

ii. 25% of the actual O&M Cost incurred during such Financial Year as certified by the Statutory Auditor of the Concessionaire.

h) The TPC, O&M Cost and the maximum VGF recommended is as follows:

Table 1

Amount Rs. in crore						
Location	**Total Project Cost**	**O&M cost (NPV at 10% discounted rate of O&M cost for first 5 years after COD)**	**Estimated Grant from GoI**		**Estimated Grant from GoJ**	
			Maximum Capex grant admissible	**Maximum Opex Grant admissible**	**Maximum Capex grant admissible**	**Maximum Opex Grant admissible**
Giridih	428	249.85	171.03 *(40%)*	62.46 *(25%)*	85.52 *(20%)*	37.48 *(15%)*
Jamtara	352	243.92	140.7 *(40%)*	60.98 *(25%)*	70.35 *(20%)*	36.59 *(15%)*
Khunti	117	166.4	46.9 *(40%)*	41.6 *(25%)*	46.9 *(40%)*	41.6 *(25%)*
Dhanbad	352	**No Opex Grant permissible**	105.6 *(30%)*	**No Opex Grant permissible**	105.6 *(30%)*	**No Opex Grant permissible**
Total Grant	**1249**	**660.17**	**464.23**	**165.04**	**308.37**	**115.67**

i) The Opex Cost comprises only Salary and consumables, and the Opex grant is specifically allocated for these components only.

j) The fee for the medical education seats should be decided by the Fee Fixation Committee in line with the prevailing NMC norms. The DCA should mention the 'norms as amended from time to time'.

k) The PSA must conduct a thorough assessment to determine the exact land requirement for developing district hospitals and medical colleges before any transfer to the concessionaire. Only the minimum land necessary for project should be allocated, ensuring optimal utilization of the land as it is a scarce resource.

l) The provisions for penalties to be imposed on the Concessionaire in case of delay in the construction or postponement of the commercial operations should be spelt out clearly and incorporated in the Draft Concession Agreement (DCA).

m) In case of any downward revision in the number of seats in the medical college and the number of beds in the hospital based on any lower need assessment and requests at the pre-bid consultation stage, GoJ should approach the Empowered Committee as any such revision will have significant reduction in the upfront cost requiring reassessment of the VGF support.

n) The following shall be considered as the pre-determined user charges/tariffs and shall be appropriately incorporated in the concession agreement: -

i. If CGHS cease to exist in the future without any successor scheme, then the user charges/tariffs for paid patients along with escalation mechanism shall be revised mutually by the Authority and the concessionaire and shall be recorded in a supplementary agreement to the concession agreement after factoring in the VGF granted under the scheme.

ii. In case, any regulatory/statutory mechanism subsequently comes into existence for determination of these user charges/tariffs from time to time, then such regulatory/statutory mechanism shall determine the user charges/tariffs for remaining concession period factoring in the VGF granted.

iii. For medical college fees, the Fee Fixation Committee shall determine the fees of the seats factoring in VGF granted to the project.

o) Necessary amendments to the bid documents (including Concession Agreement) will be made to incorporate suggestions of Empowered Committee.

p) The Authority to undertake legal vetting of the project documents post incorporation of the changes. A copy of the revised project documents be submitted to the EC members for record purpose.

q) 'Final Approval' for VGF support is contingent upon compliance of all conditions of the VGF Scheme.

r) Revalidation of 'In Principle' Approval of the PPPAC from VGF angle is required for following pre-bid changes in the approved project documents:

i. Any downward revision in the number of medical education seats or hospital beds.
ii. Any change in the formulation of pre-determined user charges/tariff.
iii. Any change in concession period by more than 20%.
iv. Any changes having impact on In-Principle approved amount of VGF for Govt. of India, on the higher side.

s) Any change in the date/time period for any time-bound actions like appointed date, financial close, construction period etc., shall be approved by the PSA without any need of revalidation by the Empowered Committee and the PSA shall proceed with the process accordingly.

t) The meeting ended with vote of thanks to the Chair.

Annexure-I

List of the participants of the 51st meeting of the EC is as follows:

a) Department of Economic Affairs, Ministry of Finance

1. Ms. Anuradha Thakur, Secretary, EA- In Chair
2. Shri Alok Tiwari, Joint Secretary
3. Shri Chunilal Ghosh, Advisor (Energy)
4. Ms. Arya Balan Kumari, Joint Director (PIU)
5. Shri Rajender Singh, SO (PIU)
6. Ms. Anuradha Talwar, SO (PIU)
7. Shri Manjeet Yadav, ASO (PIU)
8. Shri Deepak Meena, ASO (PIU)

b) Ministry of Health and Family Welfare

1. Shri Vijay Nehra, Joint Secretary

c) Department for Health, Medical Education and Family Welfare, Government of Jharkhand

1. Shri Ajoy, Kumar Singh, Additional Chief Secretary

d) Department of Expenditure

1. Ms. Ekroop Caur, Joint Secretary

Annexure-II

Recommendation of the 50th EC meeting and compliance provided by the PSA

Government of Jharkhand

Department of Health, Medical Education and Family Welfare

Letter No.: 09 | BUDGET-11-04/2024 639 B *Ranchi, Dated:* 13.08.2025

From,

Ajoy Kumar Singh,
Additional Chief Secretary

To,

Ms. Arya Balan Kumari
Joint Director (PIU),
Ministry of Finance, Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
Government of India

Subject: Response to queries from the 50th Empowered Committee meeting (28th July 2025) on in-principle VGF approval for the proposed Medical Colleges and District Hospitals in East Singhbhum, Giridih, Dhanbad, Deoghar, Jamtara, and Khunti, Jharkhand submitted by the Department of Health, Medical Education and Family Welfare, Govt. of Jharkhand.

Madam,

With reference to the above-mentioned subject, the response of Department of Health, Medical Education and Family Welfare, Government of Jharkhand, is as follows:

1) **All proposed medical colleges are concentrated in the eastern region of the State, with no representation from the western districts, leading to regional imbalance.**

Response

The proposed districts for the establishment of medical colleges—East Singhbhum, Deoghar, Dhanbad, Khunti, Giridih, and Jamtara—have been selected based on their superior connectivity, better social and physical infrastructure, and the availability of qualified faculty.

In response to the Ministry's concerns about regional imbalance, the Government of Jharkhand has committed to developing medical colleges in additional districts, including Garhwa, Saraikela Kharsawan, and Godda, in Phase 2 of the initiative.

2) **Currently, only 8 out of 24 districts in Jharkhand have medical colleges. Instead of establishing medical colleges in unserved districts, three new medical colleges are**

proposed for Dhanbad, Deoghar and East Singhbhum (Jamshedpur) districts already having medical college.

Response

i. The concern of the Ministry regarding East Singhbhum has been duly taken into account and **it shall be replaced with the District of Saraikela Kharsawan.**

ii. The rationale behind choosing the other **districts of Dhanbad and Deogarh is the availability of better connectivity, social and physical infrastructure and faculty which shall make the projects more attractive for the private players to invest.**

iii. **Dhanbad has** an estimated population of **29.79 lakh,** and a bed density of **only 0.38 beds per 1,000 population**, significantly below the state average of 0.8. **As per NMC norms, there is a requirement of 3 medical colleges in the district. The existing Shaheed Nirmal Mahto Medical College & Hospital (SNMMCH) is operating at ~86% occupancy**

iv. **Deoghar** has an estimated population **of 17.57 lakh,** and a bed density is **only 0.3 beds per 1,000 population**, well below the State average of 0.8. **As per NMC norms, there is a requirement of 2 medical colleges in the district.** AIIMS (750 beds), working at 75% occupancy.

3) **Further out of these six districts, only three are aspirational districts, but all projects for all six districts have been proposed under sub-scheme II of the VGF scheme.**

Response

Out of the finalised 5 Districts *(as mentioned in pt 2 above, E. Singhbhum shall be replaced with Saraikela Kharsawan.),* **Deogarh, Jamtara and Dhanbad are 'Non- Aspirational'** and **Khunti & Giridih are 'Aspirational Districts'**. The decision to propose the projects under **Non-Aspirational Districts under Sub-Scheme II of the VGF scheme is based on the need to ensure both financial viability and affordability.**

Considering projects under Sub-Scheme I shall lead to a increase in fee significantly making the projects financially unviable for the private player and unaffordable for the students of Jharkhand.

4) **The ability to attract qualified faculty for the proposed medical colleges, particularly in underserved regions to be reassessed given the fact that the staff positions are lying**

63(9)B
13/08/2025

vacant in medical colleges. For instance, in Deoghar, there is already an AIIMS which has about 40% vacancy of the faculty and staff.

Response

The concern has been duly acknowledged. However, it is essential to emphasize that private partners will possess greater flexibility in their hiring practices. They can access a wider talent pool and provide more competitive salaries and incentives. This approach makes the positions more attractive to qualified professionals, thereby enhancing the likelihood of successfully filling faculty roles.

The medical colleges currently operating in the districts of Dumka, Palamu, and Hazaribagh have encountered significant shortages of faculty in the past. Additionally, whenever the Government has announced faculty recruitment, the majority of applications received have sought relocation from these districts to Deogarh and Dhanbad, which has better connectivity & social and physical infrastructure. That is why districts have been selected where faculties may be available.

5) **Considering the utilization of the existing district hospitals with lesser bed availability, the viability and utilization of an upgraded 420-bedded district hospitals may be critically assessed.**

Response

i. **The State of Jharkhand has an annual outflow of 1.2 lakh patients out of state for treatment.** This indicates the state's existing healthcare infrastructure is not meeting the needs of its people and patients are travelling out for **tertiary care.**

ii. **The number of beds in the existing District Hospitals and their utilisation status has been mentioned below:**

Name of the District	Existing Capacity of the DH	Current Utilization
Deoghar	150	100%
Dhanbad	100	100%
Khunti	130	100%
Giridih	100	100%

63(9)B
13/08/2024

Jamtara	100	100%

As highlighted in the table above, the hospitals are overburdened with patients and require significant upgradation both in terms of number of beds and services. Also, these districts currently lack tertiary care facility.

6) **The requirement of 80% capex and 50% Opex grant seems to be on a higher side. Three similar health projects in Uttar Pradesh have successfully been bided-out on less than 40% capex grant and less than 25% Opex grant.**

Response

The concern of the Ministry has been taken into account and the % of Capex and Opex have been reassessed as below:

Grant	GoI	State Govt.	Total*
Capex	40%	20%	60%
Opex	25%	15%	40%

**Except Khunti where the Capex Grant will be 80% and Opex Grant will be 50%*

7) **Market patients charges are capped at 1 time of CGHS rates in proposal whereas in UP health projects it is 1.5 times.**

Response

In view of the query raised, the Government of Jharkhand has decided to revise the user charges capping of CGHS rates from 1 time to 1.5 times.

8) **The construction cost per bed is around Rs.73 lakhs in proposal whereas the same was around Rs. 50 Lakhs in UP health projects and around Rs. 60 lakhs in Arunachal Pradesh health project.**

Response

63(9)B
13/08/2015

In view of the query raised by the Ministry, the cost per bed has been reduced to INR 65 Lakh/bed. ***However, the some of the new government hospital constriction per bed cost in the state ranges between Rs. 70 L to Rs. Rs. 1.5 cr***

9) **In the proposals, the development of medical college commences from 7th-8th year after Appointed Date. However, in the UP-health projects, the commencement of medical colleges starts from the 4th year.**

Response

In view of the query of the Ministry, the Construction duration in the Districts of Deogarh, Dhanbad, Deogarh, Jamtara and Giridih has been reduced to 6 years and to 4 years in case of Khunti. In accordance with the revised NMC norms, the 420 bedded hospital is required to operate at 80% utilization, hence post two year of construction, four years have been given to private sector to achieve 80% utilization.

10) **Average Length of Stay (ALOS): In the proposal, the ALOS considered in the financial model is 3.7 days while in UP health projects, it is 4.5 days.**

Response

In view of the query of the Ministry, the ALOS has been changed to 4.5, however it depends on the private sector's ability to achieve efficiency in the hospitals. Some of the larger hospitals in India like Apollo, Max & Fortis has a ALOS of 3.2 to 4.

11) **OPD to IPD conversion: In the proposal, OPD to IPD conversion is 8% while in the UP-health projects, it is 10%.**

Response

In view of the query of the Ministry, the OPD to IPD conversion has been changed to 10%

12) **IPD charge for market patients: In the proposal, Rs. 17,577/- is assumed as average IPD charges for market patient, whereas in the UP-health projects it is Rs. 25,000.**

Response

In view of the query of the Ministry, the IPD charges for the Market patients has been changed to 1.5 times the CGHS rates (i.e. INR 26,366)

63(9)B
13/08/2025

13) **Free patient to market patient ratio: In the proposal, only 33% is assumed as market patient whereas in UP health projects, it is 61%.**

Response

Propensity to spend on health in UP is higher than that of Jharkhand. The OOPE per capita in health to per capita income is 4.26% in UP whereas the same is 2.85% in Jharkhand* (1.5 times of Jharkhand). Moreover, in addition to PMJAY there is another insurance scheme namely Mukhyamantri Abua Swasthya Yojana for Red/White/Green Ration Card Holders who are not covered under PMJAY 28 Lakh families are covered by PMJAY and 38 Lakh families arecovered by Mukhyamantri Abua Swasthya Yojana totalling to 66 Lakh families which is more than 80% of the total families in the State.

***

Yours sincerely,

(Ajoy Kumar Singh)

Memo No 6360 B Ranchi, Dated 13.08.2025

Copy to:

- Secretary, Ministry of Health and Family Welfare, Nirman Bhawan, New Delhi-01.
- Secretary, Department of Expenditure, North Block, New Delhi-01.
- CEO, NITI Aayog, Yojana Bhawan, New Delhi-01
- Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi
- Sr. PPS to Secretary (EA)
- Sr. PPS to JS (ISD)

Additional Chief Secretary

Annexure-III: Details of the proposed 05 district hospital and medical college project in the State of Jharkhand

Sl. No	Parameter	Giridih *(Under Aspirational District)*	Khunti *(Under Aspirational District)*	Dhanbad	Deoghar	Jamtara
1.	Existing Facilities	100 beds hospital *(78 years old)*	130 beds hospital	100 beds hospital	150 beds hospital	100 beds hospital
2.	Proposed Facilities	Development of 420 beds (greenfield) & 100 seat medical college	Addition of 90 beds & 50 seat medical college	Addition of 320 beds & 100 seat medical college	Addition of 270 beds & 100 seat medical college	Addition of 320 beds & 100 seat medical college
3.	Over-all Proposal	Development of 420 bed Medical Hospital and a100 seat medical college with ancillary facilities	Upgradation of the existing 130 bed Medical Hospital to 220 bed Medical Hospital and development of a 50-seat medical college with ancillary facilities	Upgradation of the existing 100 bed Medical Hospital to 420 bed Medical Hospital and development of a100 seat medical college with ancillary facilities	Upgradation of the existing 150 bed Medical Hospital to 420 bed Medical Hospital and development of a 100-seat medical college with ancillary facilities	Upgradation of the existing 100 bed Medical Hospital to 420 bed Medical Hospital and development of a 100-seat medical college with ancillary facilities
4.	Type of Development (Brown field / Green Field)	**Greenfield**	**Brownfield** (130 beds at existing DH) + **Green field** (90 beds +50 seats MC at new location) *Within 30 minutes distance*	**Brownfield** (150 beds DH & 100 seats MC at the existing location + 270 beds hospital at different location. *Within 30 minutes distance*	**Brownfield**	**Brownfield** (100 beds at existing DH) + **Green field** (320 beds+ 100 seats MC at new location) *Within 30 minutes distance*
5.	No of Beds Proposed	From 100 to 420 beds	From 130 to 220 beds	From 100 to 420	From 150 to 420 beds	From 100 to 420 beds

Sl. No	Parameter	Giridih *(Under Aspirational District)*	Khunti *(Under Aspirational District)*	Dhanbad	Deoghar	Jamtara
6.	Proposed no. of seats in Medical College	100 seats	50 seats	100 seats	100 seats	100 seats
7.	Land Handed over to the concessionaire for the proposed project	26 acres	20.86 acres	10.34 acres	18.78 acres	22.42 acres
8.	Population of District	29.20 lakhs	6.13 lakhs	29.5 lakhs	18 lakhs	9.63 lakhs
9.	Existing DH established in	1947	2013	2014	2011	2013
10.	Total Project Cost **(Rs. in crore)**	428	117	352	310	352
11.	VGF sought (40% from GoI and 20% from State Government) - except *for Khunti which has 40% each from GoI & State* **(Rs. in crore)**	256.55 (171.03 + 85.52)	93.8 (46.9 + 46.9)	211.05 (140.7 + 70.35)	185.81 (123.87 + 61.94)	211.05 (140.70 + 70.35)
12.	O&M cost (NPV at 10% discounted rate of O&M cost for first 5 years after	249.85	166.4	243.92	191.65	243.92

Sl. No	Parameter	Giridih *(Under Aspirational District)*	Khunti *(Under Aspirational District)*	Dhanbad	Deoghar	Jamtara
	COD) (**Rs. in crore)**					
13.	Opex Grant – 25 % from GoI + 15% from State Government	99.94 (62.46 + Rs. 37.48 crore)	Rs. 83.2 crore (Rs. 41.6 crore + Rs. 41.6)	Rs. 97.57 crore (Rs. 60.98 crore + Rs. 36.59 crore)	Rs. 76.66 crore (Rs. 47.91 crore + Rs. 28.75 crore)	Rs. 97.57 crore (Rs. 60.98 crore + Rs. 36.59 crore)
14.	Total Capex Grant	Rs. 958.26 crore				
15.	Total Opex Grant	Rs. 454.9 crore				
16.	Total GoI share (Capex)	Rs. 623.2 crore				
17.	Total GoI share (Opex)	Rs. 273.93 crore				
Details of the existing healthcare infrastructure and human resource availability						
18.	District Hospital	1	1	1	1	1
19.	Sub-Divisional Hospital	Nil	Nil	Nil	1	Nil
20.	Medical College	Nil	Nil	1	1	Nil
21.	Health Sub Centre	179	108	140	180	129
22.	Primary Health Centers	17	5	35	10	13
23.	Community Health Centre	11	5	9	7	4
24.	Bed density (per 1000)	0.33	0.33	0.38	0.30	0.54
		which is below the State average of 0.8, National average of 1.5 and WHO recommended average of 3 beds per 1,000 population				

Sl. No	Parameter	Giridih *(Under Aspirational District)*	Khunti *(Under Aspirational District)*	Dhanbad	Deoghar	Jamtara
25.	Human resource deficit	• Doctors-41% • Staff nurse-56.3% • ANMs-32.6%	• Doctors- 23.6% • Staff nurse-28.1% • ANMs – 5.1%	• Doctors- 44% • Staff nurse-27% • ANMs- 8%	• Doctors-43.5% • Staff nurse- In surplus: 131.5% • ANMs-27.6%	• Doctors- 50% • ANMs – 34%