

F.No.1/14/2023-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

STCs Building, Janpath New Delhi

Dated: 2nd June 2025

Record of Discussion

Subject: Record of Discussion of the 49th meeting of the Empowered Committee to consider granting In-principle Approval for VGF support to the project proposal, "Development of Medical College and Hospital at Namsai, in Arunachal Pradesh under Aspirational District Programme through PPP Mode on DBFOT".

Reference: 49th meeting held on 14th May 2025.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 49th meeting of the Empowered Committee held on 14th May 2025 to consider granting In-principle approval for VGF support to the Development of Medical College and Hospital in Namsai, Arunachal Pradesh received from Directorate of Medical Education, Training and Research, Government of Arunachal Pradesh (GoAP).

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



Arya Balan Kumari
Joint Director (PIU)

To,

1. Secretary, Department of Expenditure, North block, New Delhi-01
2. CEO, NITI Aayog, Yojana Bhawan, New Delhi-01
3. Secretary, Ministry of Health and Family Welfare Nirman Bhawan, New Delhi – 110011
4. Secretary, Department of Health and Family Welfare, room No-6, 5th Floor, Block 4, Civil Secretariat Itanagar, Arunachal Pradesh - 791111

Copy to:

1. Sr. PPS to Finance Secretary & Secretary (EA)
2. Sr. PPS to OSD, DEA
3. Sr. PPS to JS (ISD)

Subject: Record of Discussion of the 49th meeting of the Empowered Committee for considering the project proposal, “Development of Medical College and Hospital at Namsai, in Arunachal Pradesh under Aspirational District Programme through PPP Mode on DBFOT”.

1. The 49th meeting of the Empowered Committee was held on 14th May 2025 at 12:30 hours to consider the proposal of the Directorate of Medical Education, Training and Research, Government of Arunachal Pradesh for the Development of Medical College and Hospital at Namsai, in the State of Arunachal Pradesh under Aspirational District Programme through PPP Mode on DBFOT.
2. List of attendees is placed at **Annexure-I**.
3. The basic details of the project are given in the table below:

Table1: Details of the project

Name of the Project	Development of Medical College and Hospital at Namsai in Arunachal Pradesh under Aspirational District Programme Through PPP Mode on DBFOT	
Type of PPP	Design, Build, Finance, Operate, and Transfer (DBFOT)	
Sponsoring Authority	Department of Health and Family Welfare, Government of Arunachal Pradesh	
Implementing Agency	Directorate of Medical Education, Training and Research, Government of Arunachal Pradesh	
Concession	The concession period of the proposed project is 66 years including the construction period of 7 years	
Major Project Components	Development Components	Hospital + College
	Existing Bed	100 (under construction)
	Proposed Bed	320
	Proposed Medical Seats	100
Project Implementation Schedule	Project Milestones	
	Milestone I	Milestone II
	Upgradation of existing 100 bedded District Hospital to 420 beds	Development of 100 Seat Medical College
	On the day of 2 nd anniversary from the appointed date	On the day of 7 th anniversary from the appointed date
The scheduled construction completion date shall occur on the day of 7th anniversary from the appointment date.		

Estimated Capital Cost with Break-up under major heads of expenditure	TPC (Without considering the Grant) : Rs.375.1 crore			
	Components	Phase 1 (2 years)	Phase 2 (5 years)	Total
		Development of 320 bedded	Development of 100 seat medical college	
	Buildings	120.88	60.67	181.55
	Furniture & Fittings	6.40	7.55	13.95
	Plant & Machinery	19.00	9.26	28.26
	Medical Equipment	70.00	5.00	75.00
	Contingency	2.16	0.82	2.99
	Consultancy	2.16	0.82	2.99
	Financing Cost	3.03	1.15	4.18
	Total Capital Cost	223.63	85.29	308.93
	Inflation	25.1	21.8	46.9
	Interest During Construction	0.4	9.9	19.3
	Total Project Cost including all the soft costs	258.13	116.99	375.1
	TPC (Including the Grant): Rs.356.6 crore			
	Components	Phase 1(2 years)	Phase 2 (5 years)	Total
		Development of 320 bedded	Development of 100 seat medical college	
	Buildings	120.88	60.67	181.55
	Furniture & fittings	6.40	7.55	13.95

	Plant & machinery	19.00	9.26	28.26
	Medical equipment	70.00	5.00	75.00
	Contingency	2.16	0.82	2.99
	Consultancy	2.16	0.82	2.99
	Financing cost	0.61	0.23	0.84
	Total Capital Cost	221.21	84.36	305.57
	Inflation	24.90	21.60	46.40
	Interest During Construction (IDC)	3.20	1.30	4.60
	Total Project Cost	249.31	107.30	356.60
Revenue streams of the Project	a) Drugs and Medicines b) Diagnostic Services c) IPD Services d) Pharmacy e) Medical College f) Hostel Fee			
Tariff	<p>a) OPD Services: Concessionaire shall provide OPD services free of cost to paid as well as free patients.</p> <p>b) Drugs and Medicines: All essential drugs listed under National List of Essential Medicines shall be provided free of cost to free patients as part of OPD services under applicable laws. Paid patients shall bear the cost of the drugs that are prescribed and/or administered to them.</p> <p>c) Diagnostic Services</p> <ul style="list-style-type: none"> - Concessionaire to provide OPD related diagnostic service (as per IPHS list) free of cost to all Patients (Free and paid Patients) - OPD related diagnostic service (except the IPHS list) and others not covered in any insurance shall be chargeable to Paid patients up to 1.5 times of CGHS rates (Authority to reimburse the same for the free patients as per CGHS rates) - Concessionaire may reimburse under the concerned insurance scheme for IPD related diagnostic services to patients covered under such scheme <p>d) IPD Services:</p> <ul style="list-style-type: none"> - Concessionaire shall provide free IPD services to free patients up-to free beds/bed days - Concessionaire shall provide IPD services to paid patients on remaining beds, at rates not exceeding the 1.5 times the CGHS Ranchi 			

	rates	
	e) Medical Education Fees: Concessionaire shall charge fees as decided by proposed medical education fee fixation committee to all students at Medical college.	
Source of Financing	Debt and equity in the ratio of 70:30; grant has been considered upto 80% of the Total Project Cost and 40% of the Opex Cost.	
Land Required	The Government of Arunachal Pradesh would provide the existing District Hospital plot (4.3 acres) and 15-acre land parcel on Deobeel Village on nominal annual lease rent of Rs.1 for development of Medical College and Hospital.	
VGF Sought	VGF Sought under Sub-Scheme II <ul style="list-style-type: none"> • Capex Grant – Rs. 285.2 crore 40% from Gol – 142.60 40% from GoAP – 142.60 • O&M Grant – Rs. 104.98 crore 25% from Gol – 65.6 15% from GoAP – 39.38 	
Concession Agreement	The Concession Agreement for the project is based on the Model Concession Agreement for Medical Education issued by NITI AAYOG and published tender documents for the development of medical colleges in 6 unserved districts in Uttar Pradesh - Baghpat, Hamirpur, Mahoba, Kasganj, Mainpuri and Hathras on PPP mode with VGF support from Government of India	
Bidding parameter	<p>Lowest VGF (summation of capital grant and NPV (at 10% discount rate) of O&M cost for first five years after COD of phase-1.</p> <p>However subject to a maximum of 80% of the estimated project cost as capital grant that may be sought by bidder and 40% of NPV of O&M cost quoted by bidder for first 5 years after COD of Phase 1 as operational grant</p>	
Bidding process	Single-stage two envelope	
Likely Amount of VGF required for the project	CAPEX Grant of 40% (Rs. crore)	40% from Gol – Rs. 142.60 crore 40% from GoAP – Rs. 142.60 crore
	NPV of O&M Grant (Rs. crore)	25% from Gol – Rs. 65.60 crore 15% from GoAP – Rs. 39.38 crore
	Gol Contribution (Rs. Crore)	Capex Grant: Rs. 142.60 crore + O&M Grant Rs. 65.60 crore Total = Rs. 208.20 crore
	GoAP Contribution (Rs. crore)	Capex Grant: Rs. 142.60 crore + O&M Grant Rs. 39.38 crore

		Total = Rs. 181.98 crore
Project Financials	Project NPV @ WACC (Rs. crore)	71.1
	Project IRR with VGF	10.10%
	Equity IRR	15.2%

4. On behalf of the Chair, Joint Secretary (ISD) welcomed the attendees to the meeting and requested the Department of Health and Family Welfare, Government of Arunachal Pradesh (GoAP), to make a presentation to the Empowered Committee (EC). With the permission of the Chair, the Secretary, HFW, GoAP made a detailed presentation on the “Development of Medical College and Hospital in Namsai, Arunachal Pradesh”.
5. The primary purpose of the proposed project is to provide tertiary healthcare facility by upgrading the existing 100-bed district hospital to a 420-bed district hospital along with the development of a 100-seat medical colleges with ancillary facilities in the Namsai district, Arunachal Pradesh. The State population is projected to be 17.19 lakh by 2036, and the State currently has only one medical college, falling short as per the URDPFI Guideline (Urban and Regional Development Plans Formulation and Implementation) which states that one medical college per 10 lakh population is required. At present, the tertiary healthcare is limited to the western region, leaving eastern areas like Namsai underserved. The proposed upgradation and development of the hospital and the medical college in Namsai through a Public-Private Partnership (PPP) model would address this regional imbalance, enhance access to advanced care, and increase the supply of medical professionals, while reducing the financial burden on the State.
6. Out of the total 27 acres site, 15 acres will be handed over to the concessionaire for developing a 320-bed hospital and a 100-seat medical college. The remaining 12 acres will be retained by the Authority for future expansion. Additionally, existing 100 bed district hospital covering 4.3-acre land will also be handed over to the concessionaire from the COD of Phase-1. The concession period of the proposed project is 66 years including the construction period of 7 years. The hospital shall be upgraded to 420 bedded hospital in 2 years from the appointed date. It is estimated that the proposed hospital may achieve 80% occupancy within seven years from appointed date and accordingly the medical college shall be developed within the 7th year from the appointed date.
7. Under the proposed project, the Concessionaire shall be responsible for augmenting, designing, constructing, operating, maintaining, and transferring the District Hospital to serve as a teaching hospital for the Medical College, in compliance with all relevant standards, laws, permits, and industry practices. The proposed project is in the

northeastern region of India, where development is limited, and private sector interest is low due to poor financial returns. The Total Project Cost (TPC) without considering grant component and including soft costs is Rs. 375 crore. The TPC considering grant component and soft costs is Rs.356.6 crore. To encourage private participation, the Authority is proposing to admit the proposal under Sub-Scheme II. The Authority is seeking 80% support for construction costs (40% of Rs.356.6 crore by Govt. of India (GoI) and 40% of Rs. 356.6 crore by GoAP) and 40% support for operating costs (25% by GoI and 15% by GoAP) with a total grant component of Rs. 208.2 crore from the Govt. of India and Rs. 181.98 crore from the Govt. of Arunachal Pradesh.

8. After the presentation, the Chair asked the EC members for their observations. DOE supported the proposal and stated that they have no further comments to offer.
9. Secretary, Ministry of Health and Family Welfare (MoHFW) made the following observations and suggestions:
 - a) Is the OPD services free of cost for all patients? If yes, whether this cost is reimbursed under NHM or PMJAY?
 - b) Whether the essential drugs and diagnostics are free for OPD and IPD paid patients?
 - c) What is the arrangement in the existing district hospital with regard to the free drugs and diagnostics?
 - d) Have all the NHM requirement been complied or not?
10. PD, NITI Aayog raised the following observations:
 - a) The project proposes a total of 420 beds, with 164 free and 256 paid beds, where paid beds are to be charged at 1.5 times the CGHS rate for paid patients. It must be assessed whether this pricing is competitive and aligned with the prevailing rates of the private hospitals in the region.
 - b) The Authority must provide a comprehensive and itemized list of all infrastructure and facilities the Concessionaire is required to develop under the proposed project to ensure clarity on scope and deliverables.
 - c) The presentation includes a provision for future expansion, which is not reflected in the concession agreement. This provision must be incorporated into the concession agreement in line with standard guidelines.
11. JS (ISD) highlighted the following suggestions and observations:

- a) The construction timeline for developing a 100-seat medical college and subsequent upgradation to a 420-bed facility spans over seven years, which seems excessively long for the construction. The construction period should be reviewed and potentially reduced to 5 years.
- b) The financial model does not account for potential revenue streams such as parking, cafeteria, MD programmes etc. Including potential revenue streams can reduce VGF grant requirement.

12. The Chair made the following observations:

- a) What are the project milestones considered for capital expenditure?
- b) Whether the 100 bedded district hospital is still under construction? If yes, what is the source of funding for its construction?
- c) The government transition support in terms of manpower is provided to the Concessionaire for a period of five years. The transition support should taper off during the 5-year period as the Concessionaire brings its own manpower.
- d) At present, there are no staff available with the district hospital as the same is under construction. How does the Authority intent to recruit the hospital staff and hand it over to the concessionaire? What level of medical specialties will be available, and how will the Concessionaire ensure adequate staffing, especially if there is currently no staff in place? The project should clearly outline the staffing plan for both the district hospital and the medical college.
- e) Does the proposed project clearly define the level of healthcare services which shall be provided? Whether the facility will offer only secondary care or also include tertiary care?
- f) The proposed project allocates free to paid patient beds in a 40:60 ratio, whereas similar healthcare projects in Uttar Pradesh and Odisha followed a 50:50 ratio. What is the rationale for this allocation?
- g) Are there any KPIs fixed for the concessionaire for the development and O&M of the tertiary care hospital and the medical college? And what are the damages if the concessionaire failed to comply with such KPIs?
- h) Since the State population of Arunachal Pradesh is around 14 lakh, reserving a fixed 50% of medical college seats to the State students quota may lead to underutilization of seats. Therefore, a more flexible provision such as reserving up to 50% may be considered.

- i) What is the mechanism for fee determination and its escalation for medical college?
- j) Whether the State Government strictly adheres to the PMJAY guideline or are there any deviations?
- k) The district population of Namsai is approximately a lakh. Given this, the viability and utilization of a 420-bedded district hospital must be critically assessed. The Authority may provide references to similar cases, if any, where such capacity has been effectively utilized in low-population regions.
- l) The proposed medical college is set to be operational in 7 years. Is the VGF grant infusion be over a period of seven years i.e. for the hospital for the initial years and for the medical college in the later years?

13. Department of HFW, Government of Arunachal Pradesh submitted the following replies to the above observation: -

- a) Yes, OPD services are for all patients and there is no reimbursement for OPD services under any scheme.
- b) The essential drugs shall be given at free of cost to all the free patients coming under OPD and IPD categories. The paid patients have to bear the cost of the drugs with no reimbursement provisions. The diagnostic service for free patients shall be borne by the concessionaire as mentioned in the Schedule P of the Concession Agreement. The OPD related Diagnostic services which are not included in Schedule P and IPD related Diagnostic Services which are not included under any Insurance Scheme for IPD Packages shall be reimbursed by the Authority at the prevailing CGHS Kolkata rates.
- c) The District Hospital is under construction and the NHM norms shall be followed after operationalization of the hospital with respect to drugs and diagnostics.
- d) Yes, the proposal is in accordance with NHM norms.
- e) The provision of 1.5 times of CGHS rate for paid patients is an upper cap provided. The concessionaire has the flexibility to fix the rates within the range as specified.
- f) The proposed medical college and hospitals are to be developed adhering to the NMC norms which is specified in the Concession Agreement. Additionally, the bidders are encouraged to submit their respective bids after visiting the Project site and making their own assessment of the site conditions, facilities, state of clinical and para-clinical facilities, etc.

- g) There is no provision of future expansion to be undertaken by the concessionaire. The future expansion mentioned in the presentation is with respect to the land retained by the Authority for future expansion if required.
- h) The district hospital will be upgraded from 100 to 420 beds within the first 2 years. After the upgradation of the hospital, to ensure the required 80% bed occupancy, a 3-year stabilization period is planned. Consequently, the medical college development shall take place in the 5th and 7th year. Thus, while the total duration is 7 years, the effective construction period is 4 years only, ensuring regulatory compliance, operational readiness, in line with the NMC guidelines.
- i) The MD programs cannot be considered as a revenue stream, as they involve significant expenditure. It also includes mandatory stipends for postgraduate students as well. Moreover, many private institutions are currently facing challenges in operating MD seats. The other revenue sources such as parking, cafeteria, etc., are pass through revenues. Therefore, the same has not been accounted in the financial analysis.
- j) The proposed project has two milestones, phase 1 (2 Years) shall include upgradation of existing 100 beds District hospital to 420 beds. The capex phasing for phase 1 is 40% in the first year and 60% in the second year. The phase 2 (5 years) shall include the development of 100 seat Medical College. The medical college shall be developed within 2 years with a capex phasing of 30% in the first year and 70% in the second year.
- k) Yes, the 100 bedded District hospital is under construction and shall be completed by the Authority before the appointed date. The funding for the development shall be through the 15th Finance Commission grant.
- l) The transition support to the concessionaire is provided for a period of five years. However, to ensure that the support does not end abruptly, the concessionaire has given the flexibility either to extend or to reduce the transition support based on the concessionaire's requirement.
- m) The Authority is trying its best to recruit the required medical manpower. All the super specialty facilities will be developed by the concessionaire. The concessionaire is responsible to recruit additional staffs for operating the facilities in line with the NMC norms.
- n) As per the proposal, the concessionaire will provide super specialty facilities for tertiary healthcare services, in line with NHM norms.

- o) The 40:60 ratio of free to paid patient beds has been considered to ensure private sector participation and financial viability of the project.
 - p) The KPIs for the concessionaire are incorporated at Schedule Q of the DCA which are governed by NMC guidelines. If the concessionaire fails to comply with the said KPIs, then the termination clauses will be applicable in line with the concession agreement.
 - q) The 50% seats were reserved for the state students quota as per the NMC norms and State guidelines.
 - r) The fee and the fee escalation in the medical college seats would be determined and notified by Medical Education Fee Fixation Committee constituted by the Authority.
 - s) There is no deviations and the reimbursements under PMJAY are as per the PMJAY financial guidelines only.
 - t) The proposed 420-bedded hospital is a requirement under NMC norms to support a 100-seat medical college. There is a significant shortfall in tertiary care services. It is assessed that the people from eastern region of Arunachal Pradesh shall also be utilizing the services of the proposed hospital. Currently an occupancy rate of 90% is observed in the hospitals of Arunachal Pradesh.
 - u) JS(ISD) has informed that the sought capex support shall be utilized for both the development components i.e. for the upgradation of the district hospital (in the initial two years) and the development of medical college (in the 6th and 7th year). The grant disbursement will be in accordance with the VGF guideline.
- 14.** Secretary, Ministry of Health & Family Welfare was requested to assess the needs considering low population in the area, and project structuring in terms of fee structure, strength of the medical college, transition support, etc. The ministry vide their O.M. dated 27.05.2025, which is annexed at Annexure II, has conveyed 'in principle' support for the proposal and made certain specific suggestions. Those have been incorporated in the recommendations of the Empowered Committee.

Recommendations

- 15.** Considering the above discussions, the Empowered Committee unanimously recommend the project, "Development of Medical College and Hospital at Namsai in Arunachal Pradesh through PPP Mode on DBFOT" to the Competent Authority for In-principle approval under the Sub Scheme-II of the VGF scheme. VGF support up to 80% of TPC (first 40% of the TPC by Govt. of India) and up to 40% of the NPV of O&M

cost for the first five years after COD (first 25% by Govt. of India and 15% by Govt. of Arunachal Pradesh) shall be provided subject to the following observations:

- 1) The Capex VGF from Govt. of India is capped at 40% of Total Project Cost i.e., Rs. 142.60 crore and will not increase in case of any further increment in Total Project Cost.
- 2) The O&M VGF Grant from Govt. of India shall be subject to the lower of:
 - (i) O&M Grant for the year as approved by the EC;
 - (ii) Annual O&M grant quoted by the concessionaire at the time of the bid;
 - (iii) 25% of the actual O&M cost incurred during the FY as certified by the Statutory Auditor.
- 3) The maximum VGF recommended is as follows:

Amount Rs. in crore				
Total Project Cost (Rs. in crore) (including grant and soft costs)	Estimated Grant from GoI		Estimated Grant from GoAP	
	Maximum Capex VGF admissible (40% of TPC)	Opex Grant (25% of NPV of the O&M Cost for first 5 years	Maximum Capex VGF admissible (40% of TPC)	Opex Grant (15% of NPV of the O&M Cost for first 5 years
356.60	142.60	65.60	142.60	39.38
Total grant contribution	208.20		181.98	

- 4) Given that a 420-bed hospital is being proposed for a district with an approximate population of one lakh, the projected catchment area appears insufficient to justify the hospital's capacity. This raises a significant concern regarding optimal resource utilization. The public interest should be ascertained and such assessment falls outside the purview of the Empowered Committee. The same to be undertaken by the Authority, in consultation with the Secretary, Ministry of Health and Family Welfare (MoHFW).

- 5) 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).
- 6) In case of any downward revision in the number of seats in the medical college and the number of beds in the hospital from 100 seats and 420 beds respectively, based on any lower need assessment and requests at the pre-bid consultation stage, GoAP should approach the Empowered Committee as any such revision will have significant reduction in the upfront cost requiring reassessment of the VGF support.
- 7) 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'.
- 8) GoAP should consider requiring the Concessionaire to bear the salaries of the existing employees of the District Hospital during the transition period of 5 years or incorporate any other suitable provision to create an incentive for the Concessionaire to recruit its own staff well in time instead of merely relying on the government staff.
- 9) GoAP should provide the figures of total families in the state and the percentage of families covered under PMJAY/CMAAY in the bid document so that the potential bidders can do a better revenue forecasting leading to a more competitive bidding and possibly lower VGF. However, provision to factor in impact of any modifications in the said schemes may also be provided.
- 10) The mechanism for determination of the charges for OPD/IPD services and any other services may be decided/determined by the State Government considering market amenability of the project and as well as affordability of such services.
- 11) The following shall be considered as the pre-determined user charges/tariffs and shall be appropriately incorporated in the concession agreement:-
 - (i) For paid patients, the IPD service charges shall be capped at 1.5 times of the prevailing CGHS rates of Kolkata.
 - (ii) 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.

(iii) OPD services shall be free to all patients. The concessionaire to provide OPD rated diagnostic service as per IPHS list free of cost to all the free and paid patients. OPD related diagnostic service (except the IPHS list) and others not covered under any insurance scheme shall be chargeable to Paid patients up to 1.5 times of CGHS rates. Authority to reimburse the same for the free patients as per CGHS rates.

(iv) 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.

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

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

13) 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.

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

15) 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.

(v) Any change falling outside the threshold criteria as stated above shall be appraised by the PSA without any need of revalidation by the Committee and the PSA shall proceed with the process accordingly.

16. The meeting ended with vote of thanks to the Chair.

Annexure-I

List of the participants of the 49th meeting of the EC

a) Department of Economic Affairs, Ministry of Finance

1. Shri Ajay Seth, Secretary, EA- In Chair
2. Shri Baldeo Purushartha, JS (ISD)
3. Ms. Arya Balan Kumari, Joint Director
4. Shri Rajender Singh, SO (PIU)
5. Shri Manjeet Yadav, ASO

b) Department of Expenditure

1. Shri Pawan Kumar, Director, DoE

c) NITI Aayog

1. Shri. Partha Reddy, Programme Director

d) Ministry of Health and Family Welfare, Government of India

1. Ms. Punya Salila Srivastava, Secretary, H&FW
2. Ms. V.Hekali Zhimomi, Additional Secretary, H&FW
3. Ms. Poonam Meena, Director, Health

e) Department of Health and Family Welfare, Government of Arunachal Pradesh

1. Ms. Ira Singhal, Special Secretary,
2. Dr. Hage Ambing, Director of Medical Education, Training and Research

Annexure-II

File No.:H.11019/04/2025-PPPCell
Government of India
Ministry of Health & Family Welfare
Department of Health & Family Welfare
(Public Private Partnership Cell)

Nirman Bhawan, New Delhi

Dated: 27-05-2025

OFFICE MEMORANDUM

Subject: 'In- Principle' approval of Department of Health & Family Welfare- Development of Medical College and Hospital at Namsai, Arunachal Pradesh in PPP Mode- regarding.

In pursuance of the deliberations in the meeting of the Empowered Committee on 14.05.2025, the undersigned is directed to convey this Department's '*in-principle*' approval to the proposal of the Govt. of Arunachal Pradesh for development of Medical College and Hospital at Namsai, Arunachal Pradesh in Public Private Partnership (PPP) Mode with the following observations:

- i) The provisions for penalties to be imposed on the Concessionaire in case the construction timelines for the project are not met need to be spelt out clearly and be incorporated in the Draft Concession Agreement (DCA). The Project Sponsoring Authority (PSA) may consider the same.
- ii) During the pre-bid meeting, in case the Private Players request for a 50 seat medical college and 220 bedded Hospital in the initial phase, the GoAP may consider the same. The PSA may consider incorporating a provision in the DCA for future expansion of the medical college in such a scenario.
- iii) As informed by GoAP, 50% of the seats shall be charged as per the prevailing existing Government Medical College fees in the State and fees for rest 50% of the seats shall be decided by the Fee Fixation Committee, which is in line with the prevailing NMC norms. The DCA may refer to norms as amended from time to time.
- iv) The transition support for the existing employees of the District Hospital is 5 years. During this period, the entire salary cost of the existing employees shall be borne by the Authority. Considering the same, there is no financial incentive for the Concessionaire to get their own manpower. Hence, it is suggested that GoAP may consider if the Concessionaire may be asked to bear the salaries of the existing employees of the DH for the said period of 5 years or incorporate any other suitable provision in this regard..
- v) It is assumed that most of the patients that come for IPD treatment in the proposed facility shall be under the PMJAY/CMAAY schemes for which the State shall provide the requisite reimbursement to the Concessionaire. GoAP may consider providing the figures of total families in the state and the percentage of families covered under PMJAY/CMAAY in the bid document so that the potential

bidders can do a better revenue forecasting leading to a more competitive bidding and possibly lower VGF. However, provision to factor in impact of any modifications in the said schemes may also be provided.

Digitally signed by
MANOJ KUMAR SINHA

Date: 27-05-2025

11:39:13 (M.K.Sinha)

Director

Phone: 011-23063483

Email: mk.sinha26@nic.in

To

Ministry of Finance, Govt. of India
Department of Economic Affairs
(Kind attention: Shri B. Purushartha, Joint Secretary)
5th Floor, Jawahar Vyapar Bhavan,
New Delhi-110001