

## **Social Health Security Development Board (Formation)**

### **Order, 2071(2014)**

Date of Publication in the Nepal Gazette

2071.10.26 (2015. 02.09)

In exercise of the powers conferred by Section 3 of the Development Board Act, 2013 (1956), the Government of Nepal has issued the following Order.

**1. Short title and commencement:** (1) This Order may be called “Social Health Security Development Board (Formation) Order, 2071 (2014)”

(2) This Order shall come into force immediately.

**2. Definition:** Unless the subject or the context otherwise requires, in this Order,

(a) “Chairperson” means the chairperson of the Board.

(b) “Executive Director” means the executive director provided for in Section 7.

(c) “Prescribed” or “as prescribed” means prescribed or as prescribed by the bye-laws framed under this Order.

(d) “Ministry” means Ministry of Health and Population.

(e) “Member” means the member of the Board and this term also includes the Chairperson, Member and Member –Secretary of the Board.

(f)“Board” means the Social Health Security Development Board formed pursuant to Section 3.

(g) “Health Security Program” means the social health security program pursuant to Section 6.

**3. Formation of the Board:** (1) There shall be a Board entitled the Social Health Security Development Board for the task, inter alia, of providing health services to citizens through Health Institutions, by carrying out the Health Security Program.

(2) Formation of the Board shall be as follows:

(a)	Secretary of the Ministry	-Chairperson
(b)	The gazetted first class or equivalent officer of the Ministry as designated by the Ministry	-Member
(c)	Gazetted first class officer of the Ministry of Finance	-Member
(d)	Director General of the Department of Health Services or officer of the eleventh level of the Department designated by him or her.	-Member

(e)	Two persons including at least a woman nominated by the Ministry from amongst the experts in medicine, health economics or health sector	-Member
(g)	Executive Director	Member Secretary

(3) The tenure of the nominated members pursuant to sub-section (2) shall be four years.

(4) Notwithstanding anything contained in Sub-Section (3), if nominated Member does not perform his/her duty or code of conduct, as per his/her post, the Ministry may remove him/her at any time from Member.

(5) While removing from membership pursuant to Sub-Section (4), a reasonable time shall be provided to such member to submit clarification.

**4. Functions, duties and powers of the Board:** (1) The functions, duties and powers of the Board shall, in addition to the functions, duties and powers mentioned elsewhere in this Order, be as follows:

- (a) To operate Health Security Program as per the available resource and means,
- (b) To approve plan, annual program and budget of the Board.

- (c) To determine contributive funds for Health Security program,
- (d) To prepare the facility scheme pursuant to Section 6.
- (e) To provide the facility as per the scheme to the person who desires to be involved in the facility scheme pursuant to clause (d).
- (f) To identify and mobilize the necessary resources to conduct the program of the Board,
- (g) To conduct study and research or cause to conduct study and research for the development of Health Security Program,
- (h) To motivate or cause to be motivated, citizens to be involved in the Health Security program,
- (i) To collaborate with the local bodies and non-governmental organizations for the promotion of Health Security program,
- (j) To create such number of positions as required for the Board,
- (k) To carry out or cause to be carried out such other functions as prescribed.

**5. Meetings of the Board and decisions:** (1) The Meetings of the Board shall be held as per necessity.

(2) The Meeting of the Board shall be held at such date, time and venue as specified by the Chairperson.

(3) The presence of more than fifty percent members of the total number of members of the Board shall be deemed to constitute a quorum for a meeting of the Board.

(4) The meeting of the Board shall be presided over by the chairperson of the Board.

(5) The majority opinion shall prevail at the meeting of the Board; and in the event of a tie, the person presiding over the meeting shall exercise the casting vote.

(6) The decisions of the Board shall be authenticated by the Chairperson and member-secretary.

(7) If necessary, the Board may invite any expert, who contributes to the operation and development function on Health Security program, at the meeting of the Board.

(8) Other rules of procedures relating to the meeting of the Board shall be as determined by the Board itself.

**6. Health Security Program:** The Board shall make a facility scheme for making available the following services or goods under the Health Service Program:

(a) Preventive and Promotional Service,

(b) Curative and check-up service,

- (c) Security motherhood service
- (d) Treatment kits or service
- (e) Other equipment including medicine, vaccination, kits and auxiliary equipment,
- (f) Bed and food service
- (g) New baby care service
- (h) Ambulance service
- (i) Physical and mental rehabilitation service
- (k) Others service relating to health as deemed appropriate by the Board

7. **Executive Director:** (1) There shall be an Executive Director of the Board to function as its executive chief.

(2) The Board shall appoint the Executive Director through open competition from amongst the persons who have done at least Master's degree in management, economics, medicines or law from an educational institute recognized by the Government of Nepal and gained at least Seven years of experience in a top managerial post.

(3) Notwithstanding anything contained in Sub-Section (2), the Government of Nepal may designate the first class officer of the Government of Nepal or any employee with equivalent rank to carry out the functions of the Executive Director's post until

the Executive Director is appointed pursuant to that Sub-Section.

(4) The tenure of the Executive Director appointed pursuant to Sub-section (2) shall be four years.

(5) Notwithstanding anything contained in Sub-Section (4), if the Executive Director does not fulfill responsibility of his/her post or does any function contrary to the interest of the Board, the Government of Nepal may, on recommendation of the Board, remove him/her at any time from the office of the Executive Director.

(6) Prior to removing him or her from the office of Executive Director pursuant to Sub-section (5), a reasonable time shall be provided to such Executive Director to submit clarification.

(7) The remuneration, other terms of service, facility, function, duties and powers of the Executive Director shall be as prescribed.

**8. Functions, Duties and Powers of Executive Director:** (1) The functions, duties and powers of the Executive Director shall be as follows:

- (a) To prepare the annual budget, program and plan of the Board and submit them to the Board for approval.
- (b) To implement or cause to be implemented the approved annual program and plan of the Board,

- (c) To identify financial resources for making the Health Security Program sustainable and reliable and submit them to the Board,
- (d) To submit an agenda along with a proposal for reforms on the Health Security Program, if, deemed necessary,
- (e) To prepare an annual report of the Board and submit it to the Board,
- (f) To co-ordinate with other bodies on the functions of the Board,
- (g) To run, or cause to be run, day-to-day administration including financial, administrative functions of the Board.
- (h) To carry out functions as per the power delegated by the Board,
- (i) To implement or cause to be implemented the decisions of the Board,
- (j) To carry out or cause to be carried out such other functions as prescribed for the fulfillment of the objective of the Board.

**9. Provisions relating to Employees:** (1) There shall be a required number of employees in the Board.

(2) The appointment, remuneration and terms of service of the employees pursuant to Sub-section (1) shall be as prescribed.

(3) Until the employees are appointed pursuant to Sub-Section (2), the Ministry may depute the employees of the Government of Nepal to serve in the Board, as per the request of the Board.

**10. Fund of the Board:** (1) The Board shall have a separate fund of its own and the following amounts shall be credited to such fund:

- (a) Amount received from the Government of Nepal,
- (b) Amount received from any native person, organization, institution or body.
- (c) Amount received from any foreign person, government or international organization or institution,
- (d) Amount received under the Health Security program,
- (e) Other amount earned by the Board,
- (f) Amount received from any other source.

(2) The Board shall have to take prior approval from the Ministry of Finance before receiving the amount from any foreign person, government or international organization or institution pursuant to clause (c) of Sub-section (1).

(3) The Board shall have to deposit the amount to be credited to the Fund by opening an account in class “A” of commercial bank within Nepal.

(4) The fund of the Board shall be operated with the joint signature of member–secretary and account chief.

(5) All the expenditures to be expended in the name of the Board shall be borne from the Fund pursuant to Sub-section (1).

**11. Ceiling of expenditure for administrative function:** The Board shall not spend more than Ten percent of the annual budget in the administrative functions.

**12. Account and Audit:** (1) The accounts of the incomes and expenditures of the Board shall be kept in accordance with the prevailing law.

(2) The Board shall follow internal control system for its financial transactions.

(3) The audit of the Board shall be carried out by the Auditor General.

(4) The Ministry may, at any time, inspect, or cause to be inspected, the accounts of the incomes and expenditures, cash and other documents of the Board.

**13. Annual Report to be submitted:** (1) The Board shall submit a report to the Ministry mentioning its annual functions within three months from the date of completion of each fiscal year.

(2) The report provided for in Sub-section (1) shall set out the following matters, among other things:

- (a) The achievements made by the Board throughout the year and the problems seen in the performance of its functions,
- (b) Statements of incomes and expenditures of the Board,
- (c) Balance sheet of the Board,
- (d) The description of liabilities payable by the Board,
- (e) Other matters deemed necessary by the Board.

**14. Sub-committee:** (1) The Board may constitute various sub-committees to assist in its function, as per necessity.

(2) The functions, duties and powers and procedures of a sub-committee constituted pursuant to Sub-Section (1) shall be as prescribed by the Board at the time of its constitution.

**15. Office of the Board:** (1) The office of the Board shall be located in Kathmandu Valley.

(2) The Board may open district offices or branch offices as per necessity.

**16. Delegation of powers:** The Board may, as per necessity, delegate any powers conferred on it to any Member, Member Secretary, Sub- committee constituted pursuant to Section 14 or any officer employee of the Board.

17. **Meeting allowance:** The Members of the Board or Subcommittee shall be entitled to such meeting allowance as approved by the Ministry.
18. **Liaison with the Government of Nepal:** The Board shall liaise with the Government of Nepal through the Ministry.
19. **Power to give direction:** The Ministry may give necessary direction to the Board for the implementation of this Order and it shall be the duty of the Board to abide by such direction.
20. **Powers to frame by Laws and Directives:** (1) The Board may frame necessary Rules for the implementation of this Order.
- (2) The Rules framed under Sub-section (1) shall come into force upon their being approved by the Ministry.
- (3) The Board may frame and enforce necessary directives, subject to this Order or Rules framed hereunder.