Digital Transformation in Public Finance Empowering Jammu & Kashmir's Health System Toward Universal Health Coverage

ACCESS HEALTH INTERNATIONAL

1). Background

Jammu & Kashmir's healthcare system faces challenges stemming from geographical, political, and socioeconomic factors, including limited access to services in rural areas and resource constraints. Historically, the region has struggled with inefficient financial management in its healthcare sector, leading to underutilized funds and delays in infrastructure development, hindering progress toward Universal Health Coverage (UHC). To address these issues, the Union Territory has embraced a digital transformation in public finance, implementing tools like BEAMS, JK PaySys, TreasuryNet, EMPOWERMENT, and PROOF to enhance transparency, accountability, and resource utilization. This shift aims to optimize fund allocation and support healthcare improvements, positioning the system to achieve UHC by addressing longstanding administrative and financial inefficiencies.
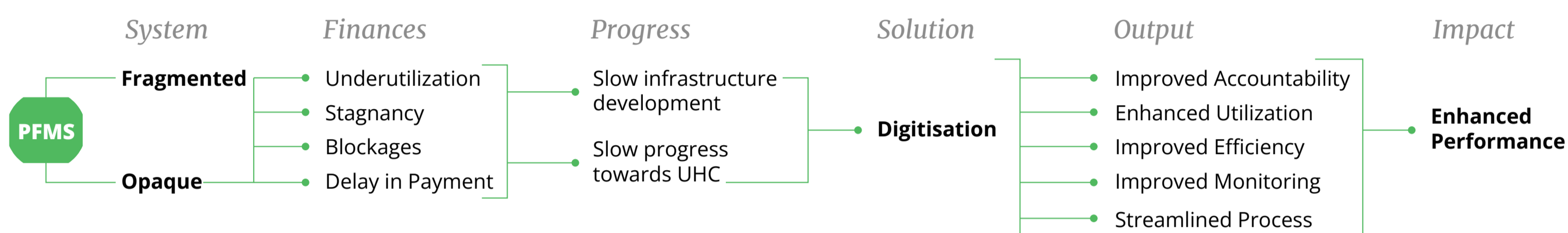
2). Objectives:

The primary objectives of this study are:

To explore how digital transformation in public finance can address existing challenges within the health system in Jammu & Kashmir.

To analyze the financial tools, platforms, and strategies that could enhance transparency, efficiency, and equity in healthcare financing.

To assess the impacts of digital transformation on progressing toward UHC in the region.

System — Fragmented, Opaque — **PFMS**

Finances — Underutilization, Stagnancy, Blockages, Delay in Payment

Progress — Slow infrastructure development, Slow progress towards UHC

Solution — Digitisation

Output — Improved Accountability, Enhanced Utilization, Improved Efficiency, Improved Monitoring, Streamlined Process

Impact — Enhanced Performance

3). Methodology

To assess the role of digital transformation in empowering the health system in Jammu & Kashmir, a mixed-method approach was used:

- **Secondary Data Analysis:**
  Reviewed policy documents, government reports, and studies on Jammu & Kashmir's healthcare financing and the specific digital tools in place (BEAMS, JK PaySys, TreasuryNet, EMPOWERMENT, and PROOF).

- **Stakeholder Interviews:**
  Conducted interviews with government officials and finance managers of the Health and Finance departments to understand their experiences with these digital tools.

Table 1: List of officials interviewed

Office	Dept. of Health & Medical Education	Dept. of Finance
Union Territory Headquarter	• Financial Advisor / Chief Accounts Officer, Jammu & Kashmir Medical Supplies Corporation Limited	• Joint Director (Budget) • Asst. Accounts Officer
Directorate (Jammu & Srinagar)	• Financial Advisor / Chief Accounts Officer (Directorate of Health Services), • Chief Accounts Officer (Government Medical College)	• Assistant Director – Planning
District (Budgam & Udhampur)	• Chief Medical Officer • District Accounts Manager • Medical Superintendent, District Hospital • Accounts Manager, District Hospital	• Section Officer - Planning

4). Results

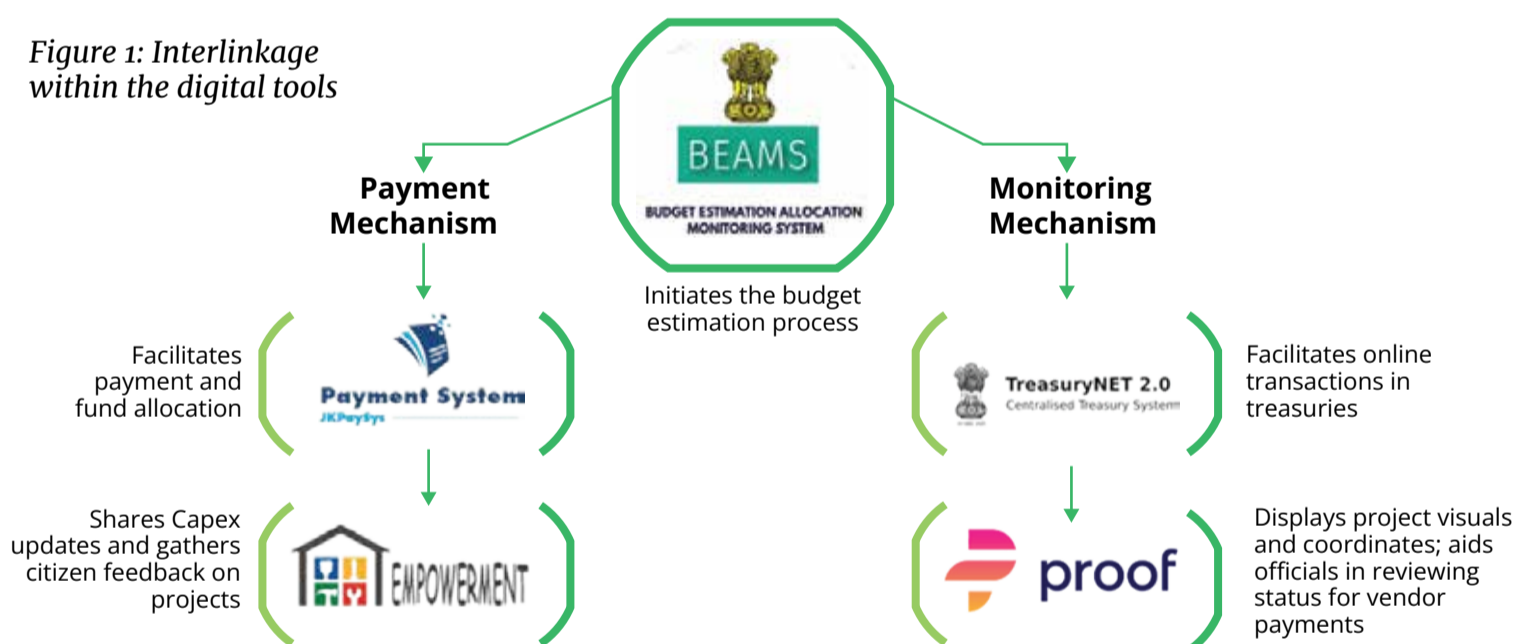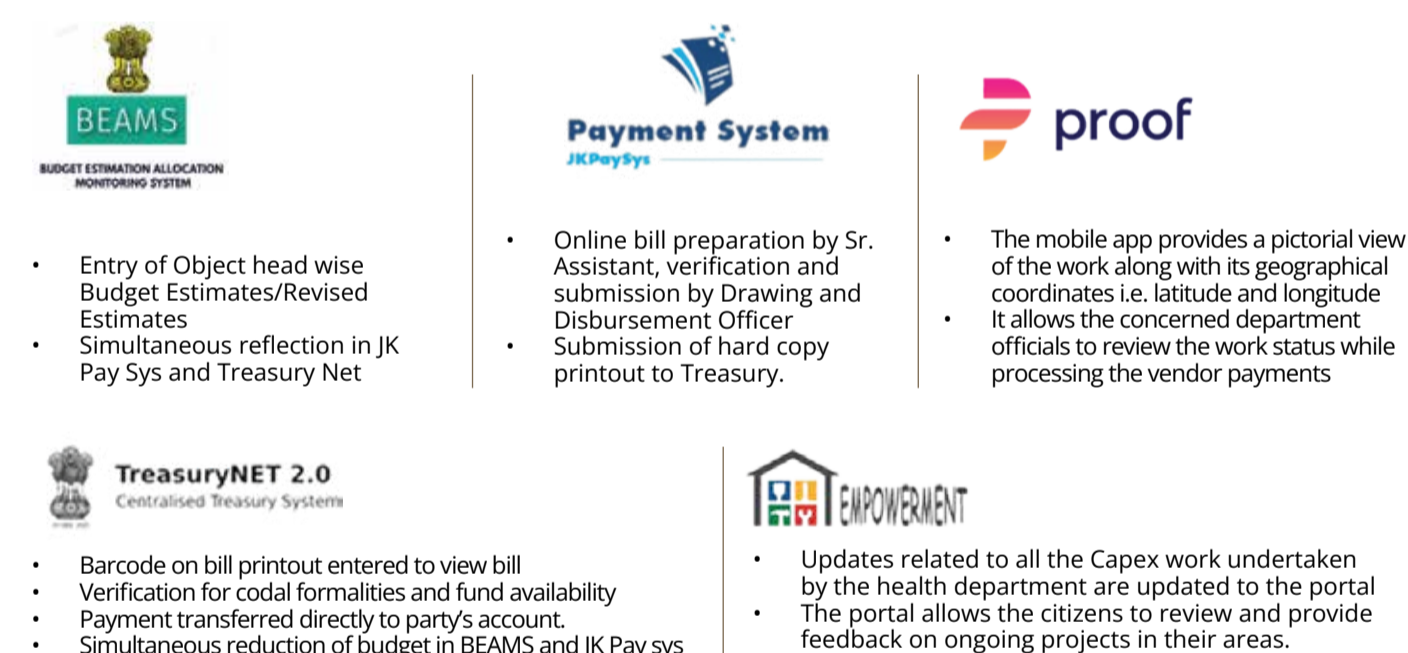*Figure 1: Interlinkage within the digital tools*

Payment Mechanism

Facilitates payment and fund allocation

Shares Capex updates and gathers citizen feedback on projects

BEAMS — BUDGET ESTIMATION ALLOCATION MONITORING SYSTEM — Initiates the budget estimation process

Monitoring Mechanism

Facilitates online transactions in treasuries

Displays project visuals and coordinates; aids officials in reviewing status for vendor payments

Figure 2: Digital tool applications

BEAMS — BUDGET ESTIMATION ALLOCATION MONITORING SYSTEM
- Entry of Object head wise Budget Estimates/Revised Estimates
- Simultaneous reflection in JK Pay Sys and Treasury Net

Payment System JKPaySys
- Online bill preparation by Sr. Assistant, verification and submission by Drawing and Disbursement Officer
- Submission of hard copy printout to Treasury.

proof
- The mobile app provides a pictorial view of the work along with its geographical coordinates i.e. latitude and longitude
- It allows the concerned department officials to review the work status while processing the vendor payments

TreasuryNET 2.0 Centralised Treasury System
- Barcode on bill printout entered to view bill
- Verification for codal formalities and fund availability
- Payment transferred directly to party's account.
- Simultaneous reduction of budget in BEAMS and JK Pay sys

EMPOWERMENT
- Updates related to all the Capex work undertaken by the health department are updated to the portal
- The portal allows the citizens to review and provide feedback on ongoing projects in their areas.

Major finding from the study:

Increased Financial Control and Transparency:
- Entry of Object head wise Budget Estimates/Revised Estimates
- Simultaneous reflection in JK Pay Sys and Treasury Net

Enhanced Payroll and Billing Efficiency:
- JK PaySys optimized payroll processing.
- Streamlined billing procedures, minimizing delays and ensuring accurate fund utilization.

Improved Project Accountability and Performance Tracking:
- PROOF facilitated real-time visual monitoring of health projects.
- Ensured adherence to schedules and reduced the risk of fraud.

Strengthened Public Oversight:
- EMPOWERMENT platform allowed citizens to track project progress.
- Increased transparency and accountability, enhancing public trust in the system.

Progress Towards Universal Health Coverage (UHC):
- Optimized fund management and resource allocation.
- Improved healthcare access and more efficient resource utilization in the Union Territory of Jammu and Kashmir.

5). Lessons Learned

Importance of Robust Infrastructure:
- Reliable internet connectivity and digital literacy are critical for the success of digital financial systems.
- Infrastructure investment is vital to ensure wider adoption of digital tools, especially in remote areas.

Need for Continuous Training:
- Government staff and healthcare providers need training to effectively operate and maximize digital systems.
- Regular workshops and support systems should be established for long-term success.

Data Privacy and Security Measures:
- Strong cybersecurity measures are essential to protect sensitive financial and personal health data accumulated by digital systems.

Adaptability and Scalability:
- Digital solutions must be adaptable to changing healthcare needs.
- Solutions should be scalable across sectors and regions to achieve broader impact.

Community Involvement:
- PROOF highlighted the importance of involving local communities in monitoring healthcare projects.
- Including community feedback mechanisms in future initiatives can build trust and enhance accountability.

6). Policy Recommendations

Strengthen Citizen Engagement Platforms:
- Extend platforms like EMPOWERMENT to other public sectors.
- Foster accountability and community involvement in project monitoring.

Expand Digital Financial Management Systems Nationwide:
- Implement similar systems in other regions to enhance transparency and efficiency in public health spending.

Further Investment in Digital Infrastructure:
- Allocate resources for ongoing improvement and modernization of digital platforms.
- Address evolving needs and technologies in public health administration.

Implement Real-Time Performance Metrics:
- Track healthcare outcomes alongside financial metrics.
- Measure the direct impact of improved fund management on healthcare quality and access.

Regular System Audits:
- Conduct audits regularly to identify areas for improvement.
- Ensure continued effectiveness in fund management.

The UT of Jammu and Kashmir's approach has demonstrated that with the right technological tools, public health spending can become both efficient and transparent, significantly advancing the pursuit of Universal Health Coverage.

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