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PROVINCIAL ASSEMBLY OF THE PUNJAB NOTIFICATION

June 25, 2025

No. PAP/Legis-2(62)/2025/437. The Punjab Specialized Medical Institutions Bill 2025, having been passed by the Provincial Assembly of the Punjab on June 16, 2025, and assented to by the Governor of the Punjab on June 25, 2025, is hereby published as an Act of the Provincial Assembly of the Punjab.

THE PUNJAB SPECIALIZED MEDICAL INSTITUTIONS ACT 2025 ACT LVI OF 2025

[First published, after having received the assent of the Governor of the Punjab, in the Gazette of the Punjab (Extraordinary) dated June 25, 2025.]

An

Act

to improve medical education, responsiveness and quality of clinical care for patients in an effective, efficient and accountable manner:

It is necessary to improve medical education, responsiveness and quality of clinical care for patients and enhance healthcare services in Specialized Medical Institutions in an effective, efficient, responsive and transparent manner, and for the matters connected therewith and ancillary thereto.

Be it enacted by Provincial Assembly of the Punjab as follows:

1. **Short title, extent, application and commencement.**-(1) This Act may be cited as the Punjab Specialized Medical Institutions Act 2025.
 - (2) It extends to whole of Punjab.
 - (3) It shall apply to such Specialized Medical Institution as notified under section 3 of the Act.
 - (4) It shall come into force at once.

2. Definitions.-In the Act:

- (a) "Act" means the Punjab Specialized Medical Institutions Act 2025;
- (b) "basic science faculty" means a medical faculty not involved in patient care;
- (c) "Board" means the Board of Governors constituted under section 6 of the Act;
- (d) "Chairperson" means the Chairperson of the Board;
- (e) "clinical faculty" means a medical faculty involved in clinical care of patients, whether diagnostic or therapeutic;
- (f) "consultant" means and includes a person qualified to provide the highest level of medical and healthcare services and recruited or appointed as such;
- (g) "Dean" means the academic head of a Specialized Medical Institution;
- (h) "employee" means an employee of a Specialized Medical Institution appointed under the Act or a civil servant on deputation to a Specialized Medical Institution;
- (i) "Government" means Government of the Punjab;
- (j) "healthcare service" means preventive, curative, promotive, rehabilitative health service and includes diagnostic, support service, laboratory, accident and emergency, pharmacy and paramedic support;
- (k) "medical faculty" means the basic science faculty and clinical faculty and includes an Assistant Professor and above as well as Dean of a College, involved in teaching, training or patient care;
- (l) "Member" means a Member of the Board;
- (m) "prescribed" means prescribed by the rules or regulations made or framed under the Act;
- (n) "regulations" means the regulations framed under the Act;
- (o) "rules" means the rules made under the Act;
- (p) "Search and Nomination Committee" means the Search and Nomination Committee constituted under section 9 of the Act; and
- (q) "Specialized Medical Institution" means a Specialized Medical Institution as notified under section 3 of the Act.

3. Specialized Medical Institution.- (1) The Government may, by a notification in the official Gazette, notify a medical college, a dental college or any other health related teaching institution or an affiliated teaching hospital, wholly or partially funded by the Government, as a Specialized Medical Institution for the purposes of the Act.

(2) A Specialized Medical Institution, notified under sub-section (1), shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of movable property and may by its name sue or be sued:

(3) Every Specialized Medical Institution may consist of a college or a teaching institution or both and such number of hospitals as may be notified by the Government.

4. Objectives of the Specialized Medical Institution.- The objectives of the Specialized Medical Institutions shall be to:

- (a) undertake all functions required for providing health facilities to the people;
- (b) provide medical education, training and research;
- (c) provide health facilities and services to the people; and
- (d) perform such other ancillary functions as may be assigned to it by the Government.

5. Administration of the affairs of the Specialized Medical Institution.- (1) The general administration of the Specialized Medical Institution and its affairs shall vest in the Board.

(2) The Board shall transact and dispose of its business in such manner as may be prescribed.

(3) If, for any reason, the Board becomes dysfunctional, the Government shall constitute an administrative committee to run the affairs of the Specialized Medical Institution for a period of three months.

6. The Board.- (1) The Board of Governors shall comprise as under:

- (a) Secretary to the Government, Specialized Member
Healthcare and Medical Education

Department or his representative not below the rank of Additional Secretary.

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| (b) | Secretary to the Government, Finance Department or his representative not below the rank of Additional Secretary. | Member |
| (c) | Secretary to the Government, Planning and Development Board. | Member |
| (d) | Secretary to the Government, Law and Parliamentary Affairs Department or his representative not below the rank of Additional Secretary. | Member |
| (e) | Dean. | Member |
| (f) | five persons of eminence from private sector including at least one female Member from the civil society. | Members |
| (g) | Hospital Director | Member/ Secretary |

(2) The Government shall appoint the Members at clause (f) of sub-section (1) for a period of three years, on the recommendation of the Search and Nomination Committee, on such terms and conditions as may be prescribed by the rules but such Members shall serve during the pleasure of the Government.

(3) The Members at clause (f) of sub-section (1) may resign from their office before the expiry of tenure by submitting their written resignation to the Government through the Board.

(4) The Members at clause (f) of sub-section (1) may include health specialist, management financial experts and a person of eminence in medical education.

(5) The Government may nominate the Chairperson from amongst the Members at clause (f) of sub-section (1).

(6) In addition to the powers and functions of the Chairperson provided in the Act, he shall exercise such others powers and perform such other functions, not inconsistent with the provisions of the Act, as may be prescribed through rules.

(7) The Board shall have overall superintendence and control over the functioning and administration of a Specialized Medical Institution.

(8) The Board may co-opt an expert for its assistance in the meeting for a specific purpose but such co-opted expert shall not have a right to vote.

7. Conduct of business of the Board.-(1) The Board shall meet at least six times in a financial year.

(2) The Chairperson and in case of his absence, a Member nominated by the Chairperson and if so not possible, the Member so elected by the Members present, preside over the meetings of the Board.

(3) One-half of the Members, including at least two Members at clauses (a) to (d) of sub-section (1) of section 6, shall constitute the quorum for a meeting of the Board.

(4) All decisions of the Board shall be taken by simple majority of the Members present and voting, and, in case of tie, the person presiding over the meeting shall have the casting vote.

(5) No act or proceedings of the Board shall be invalid, merely on the ground of existence of any vacancy in the Board.

(6) The Member count shall be determined by actual Members being present and proxy vote shall not count.

(7) The Board may convene its meeting on the request of the Chairperson or of at least one-third of the Members for consideration of any important or urgent matter.

(8) Subject to the provisions of the Act and rules made thereunder, the Board may constitute committees to perform such functions as may be prescribed.

(9) The Secretary to the Board shall:

- perform all secretarial functions of the Board at the direction of the Chairperson;
- convene meetings of the Board;
- record minutes of the meetings of the Board;
- communicate with all Members; and
- perform any other function as may be assigned to him by the Board.

8. Functions and powers of the Board.- (1) The Board shall, subject to the provisions of the Act, rules and regulations made or framed thereunder, exercise complete administrative, financial and academic powers in respect of the Specialized Medical Institution as may be necessary for its proper and efficient functioning.

(2) Without prejudice to the generality of the foregoing provision, the Board shall:

- (a) lay down policy for the administration of the property, funds, investment and resources of the Specialized Medical Institution including approval of purchase or acquisition of immoveable property and borrow or raise money for the purpose of the Specialized Medical Institution;
- (b) approve annual plan of work, annual and revised budgets, annual report and annual statement of accounts;
- (c) supervise and control over the Specialized Medical Institution;
- (d) approve the appointment of professionals, Deans, teaching staff of the Specialized Medical Institution or a committee;
- (e) examine annual research program, annual reports and audited statements of accounts of the Specialized Medical Institution;
- (f) create, suspend or abolish such posts of medical, nursing, administrative, para-medical, teaching and non-teaching staff of the Specialized Medical Institution as may be necessary;
- (g) determine terms and conditions of the teaching and non-teaching staff of the Specialized Medical Institution;
- (h) consider and approve annual and revised budget estimates and to re-appropriate funds from one major head of expenditure to another and to appoint internal and third party auditors; and
- (i) cause proper books of accounts to be kept for all sums of money received and expended by the Specialized Medical Institution and for asset and liabilities of the Specialized Medical Institution.

(3) The Board may, subject to such conditions as it may impose, delegate any of its functions to the Chairperson or a committee comprising of Members of the Board.

9. Search and Nomination Committee.- (1) There shall be the Search and Nomination Committee consisting of the following:

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| (a) | Minister for Specialized Healthcare and Medical Education. | Chairperson |
| (b) | Additional Chief Secretary, Punjab. | Vice Chairperson |
| (c) | Secretary to the Government, Specialized Healthcare and Medical Education Department. | Member |
| (d) | a retired senior person from medical profession, to be nominated by the Chief Minister. | Member |
| (e) | two representatives of civil society, to be nominated by the Chief Minister. | Members |

(2) The Chairperson of the Search and Nomination Committee shall preside over the meetings of the Committee and in his absence, the Vice Chairperson shall preside over the meetings.

(3) The Members at clauses (d) and (e) of sub-section (1) shall hold office for a period of three years and shall be eligible for another term of three years or part thereof as deemed appropriate, however they shall serve during the pleasure of the Chief Minister.

10. Affiliation of Specialized Medical Institutions.- (1) Every Specialized Medical Institution, for the purpose of medical education, shall affiliate with a medical university for the purposes of syllabus, curriculum, examination or for any other purpose as may be required.

(2) A Specialized Medical Institution shall be headed by a Dean, and shall consist of chairpersons and medical faculties of various departments of the Specialized Medical Institutions.

(3) A Specialized Medical Institution shall have an academic council, headed by the Dean and consisting of such number of members as may be prescribed, to set

principles and standards for teaching, research, training, student admissions, and curriculum development and to ensure and inculcate highest ethical standards.

11. Management Committee.-(1) Every hospital forming part of a Specialized Medical Institution, shall have a management committee headed by the Dean and consisting of the following members:

- (a) Hospital Director;
- (b) Medical Director;
- (c) Nursing Director;
- (d) Finance Director; and
- (e) twopersons nominated by the Board on the recommendation of the Dean.

(2) The Management Committee shall:

- (a) review and recommend annual operating and development budget for approval of the Board;
- (b) coordinate to ensure compliance of the relevant standards;
- (c) submit a quarterly report on management, healthcare services and financial management to the Board;
- (d) recommend to the Board any addition of a department, facility or post at the Specialized Medical Institution; and
- (e) perform all such functions as may be assigned by the Board or prescribed by the regulations.

12. Dean.-(1) The Dean shall be appointed by the Board for a period of four years, who shall be eligible for re-appointment, on such terms and conditions and having such qualifications and experience as may be prescribed.

(2) The Dean shall be the Chief Executive Officer of a Specialized Medical Institution.

(3) The Dean shall act to ensure that the Specialized Medical Institution is:

- (a) functioning in accordance with the Act, rules and regulations;
- (b) complying with minimum standards regarding provision of health services;
- (c) maintaining medical records of all patients;
- (d) maintaining all other records; and
- (e) working in accordance with the policy directions of the Board.

(4) The Dean shall, on his appointment, simultaneously receive a faculty appointment at a level commensurate with his qualifications and the prescribed Institutional requirements for the faculty post.

(5) The chairpersons of various departments in the Specialized Medical Institution shall be appointed by the Board, on such terms and conditions and in such manner as may be prescribed and the chairperson may be removed by the Board on the recommendations of the Dean.

(6) The Dean may be removed from the office by the Board, before the expiration of the period of four years at any time on such grounds as may be prescribed including failure to achieve targets set by the Board.

(7) In the performance of his functions, the Dean shall be responsible to the Board and the chairpersons of the departments shall be responsible to the Dean and the Academic Council.

(8) The Board, in absence of the Dean, shall appoint from amongst the chairpersons a Vice-Dean to perform the functions of the Dean.

(9) The Dean may delegate any of his powers to any other officer or committee of the Specialized Medical Institution.

(10) The Dean shall be the principal accounting officer, responsible and accountable for maintaining financial discipline and transparency.

13. Hospital Director.-(1) The Board shall appoint a Hospital Director for every hospital forming part of the Specialized Medical Institution for a period of four years.

(2) The Hospital Director shall be eligible for re-appointment, on such terms and conditions as the Board may determine:

Provided that no Member of the Board shall be appointed as Hospital Director.

(3) The Hospital Director shall possess a recognized Master's degree in hospital management or health services management or business management or public health or public administration or any other relevant management qualifications and having experience of management in an organization or institution as may be prescribed:

Provided that a person, who possesses a recognized medical degree may also apply for the post of Hospital Director with the condition that he shall have an additional management degree and experience provided in this sub-section and shall have no right to do private practice.

(4) The Hospital Director may be removed from the office by the Board, before the expiration of the period of four years on such grounds as may be prescribed.

(5) In performance of his functions, the Hospital Director shall be responsible to the Board through the Dean.

(6) The Hospital Director shall not have any conflict of interest with his position as Hospital Director.

14. Functions of the Hospital Director.—The Hospital Director shall be responsible for:

- (a) non-clinical functions of the hospital;
- (b) preparation of annual budget, and business plan for presentation to the Dean;
- (c) maintenance of building and engineering services;
- (d) maintenance and development of all ancillary services, including but not limited to pharmacy, nursing, materials management, human resources, clerical, communication, janitorial and security services;
- (e) procurement; and
- (f) implementation and execution of the orders of the Board and Academic Council and to achieve the targets set by the Board.

15. Medical Director.—(1) The Board shall appoint a Medical Director for every hospital forming part of the Specialized Medical Institution for a period of four years who shall be eligible for re-appointment, on such terms and conditions as the Board may determine:

Provided that no Member of the Board shall be appointed as Medical Director.

(2) The Medical Director shall, on his appointment, simultaneously receive a faculty appointment at a level commensurate with his qualifications and the prescribed institutional requirements for the faculty post.

(3) The Medical Director shall possess a recognized medical degree with management or administrative experience of working in management positions in an institution or organization as may be prescribed by the Board.

(4) The Medical Director may be removed from the office by the Board, before the expiration of the period of four years, on such grounds as may be prescribed by the Board.

(5) All heads of clinical department shall report to the Medical Director.

(6) In performance of his functions, the Medical Director shall be responsible to the Board through the Dean.

(7) The Medical Director shall not have any conflict of interest with his position as Medical Director.

16. Functions of Medical Director.—The Medical Director shall be responsible for all clinical functions of the hospital, including:

- (a) ensuring clinical excellence in all functions of the hospital;
- (b) ensuring timely and appropriate management of patients;
- (c) ensuring the best services for all patients;
- (d) undertaking clinical governance for quality control;
- (e) assessing and auditing existing clinical programs and developing new clinical programs;
- (f) developing annual clinical budget;
- (g) medical equipment requests for presentation to the Medical Superintendent and Management Committee; and
- (h) ensuring compliance with minimum standards pertaining to healthcare services and maintenance of medical records.

17. Nursing Director.-(1) The Board shall appoint a Nursing Director for every hospital forming part of the Specialized Medical Institutions for a period of four years, and shall be eligible for re-appointment, on such terms and conditions as the Board may determine:

Provided that no Member shall be appointed as Nursing Director.

(2) The Nursing Director shall possess such qualification and experience as may be prescribed by the Board.

(3) The Nursing Director may be removed from the office by the Board before the expiration of a period of four years, on such grounds as may be prescribed by the Board.

(4) In performance of his functions, Nursing Director shall be responsible to the Board through the Dean.

(5) The Nursing Director shall not have any conflict of interest with his position as Nursing Director.

(6) The Nursing Director shall be responsible for all nursing functions, including training of nurses, ensuring adequate nursing staff for all clinical requirements, maintaining the highest nursing standards and performing regular audits of nursing functions.

(7) The Nursing Director shall perform such other functions as may be prescribed by the Board.

18. Finance Director.-(1) The Finance Director shall be appointed by the Board, in the manner as may be prescribed, for a period of three years, and shall be eligible for re-appointment.

(2) The Finance Director shall have such minimum qualification and experience as may be prescribed.

(3) In performance of his functions, the Finance Director shall be responsible to the Board through the Dean.

(4) The Finance Director shall be responsible for all functions relating to finance, including but not limited to:

- (a) compliance with financial rules and propriety;
- (b) pre-audit functions;
- (c) ensure value for money; and
- (d) liaison and coordinate with external audit.

19. Employees of the Specialized Medical Institution.-(1) The Board may, on the recommendations of the Special Selection Board, appoint such number of employees for services and operations of the Specialized Medical Institution.

(2) The employees so appointed shall not be considered as the employees of the Government.

(3) The Board may determine the terms and conditions of the service of various categories of the employees.

(4) The employees of the Specialized Medical Institution shall be liable to such disciplinary action in such manner as may be prescribed.

(5) The Board may post doctors and nurses on deputation basis in the Specialized Medical Institution with the prior approval of the Government.

(6) Where the Dean, Hospital Director, Medical Director or Finance Director are Government servants, they shall receive such additional remuneration as may be determined by the Board and approved by the Government.

(7) Only consultants and heads of clinical disciplines shall be allowed institutional-based private practice as may be prescribed by the rules.

20. Special Selection Board.-(1) The Government shall, on the recommendations of the Board, constitute a Special Selection Board which shall recommend appointment of persons in the Specialized Medical Institution.

(2) The Special Selection Board shall consist of such number of members as may be determined by the Government.

(3) The members determined under sub-section(2) shall include representatives of:

- (a) Secretary to the Government, Specialized Healthcare and Medical Education Department;

- (b) Secretary to the Government, Services and General Administration Department (Regulations Wing); and
- (c) one subject specialist to be nominated by Secretary to the Government, Specialized Healthcare and Medical Education Department.

21. Retention of fee.-(1) Notwithstanding anything contained in any law for the time being in force or the rules, a Specialized Medical Institution shall retain receipts from various fees levied by the Government or Board to meet its recurring and development expenditure.

(2) The amount realized from receipts of a Specialized Medical Institution may not be deducted from the annual grant of the Specialized Medical Institution provided by the Government and such amount realized from receipts shall be utilized as may be specified by the Board.

22. Duties of healthcare service providers.-Every healthcare service provider in a Specialized Medical Institution shall:

- (a) comply with the minimum standards;
- (b) maintain medical records and other records in the prescribed manner; and
- (c) provide same level of care to private and non-private patients.

23. Fund.-(1) There shall be a Fund to be known as the Specialized Medical Institution Fund, which shall vest in the Specialized Medical Institution and shall be managed and operated by the Board.

(2) The Fund shall consist of:

- (a) grants from the Government as a single line budget;
- (b) receipts and user charges as specified by the Board in consultation with the Government from time to time in such manner as may be prescribed;
- (c) voluntary contributions or donations;
- (d) income from investments and deposits;
- (e) loans raised subject to approval of the Government or aid obtained by the Specialized Medical Institution;
- (f) fees, royalties on publications of the Specialized Medical Institution and other charges for services rendered by the Specialized Medical Institution;
- (g) grants made by any local or international agency;
- (h) any other money received by the Specialized Medical Institution from any source; and
- (i) grants from any provincial government or by the Federal Government.

(3) The Fund shall be kept in such custody and shall be utilized and regulated in such manner as may be prescribed.

(4) The Fund account shall be maintained at such Scheduled Bank or Treasury as may be prescribed.

(5) The Board may authorize two officers or employees of the Specialized Medical Institution, one of them shall be Finance Director, to sign cheques, drafts and other orders for the payment of money from an account of the Specialized Medical Institution as it deems appropriate.

(6) The Government may provide adequate funds for construction, establishing and operation of various facilities of the Specialized Medical Institution to perform its functions effectively.

(7) The Board may, in so far as its money is not required for immediate expenses, invest the surplus money in such manner as provided under section 36 of the Punjab Public Financial Management Act 2022 (XXXVII of 2022) and rules made thereunder.

(8) The Board shall not invest any money from the Fund in listed securities or any derivatives thereof, whether listed or not.

24. Budget, audit and accounts.-(1) The operational and development budget of a Specialized Medical Institution shall be approved by the Board and its accounts shall be maintained and audited in such manner as may be prescribed by the regulations.

(2) The accounts of the Specialized Medical Institution shall be audited every year by the Auditor General of Pakistan.

(3) The Board shall appoint an internal auditor of the Specialized Medical Institution for pre-audit of expenditures.

(4) The Dean shall submit annual statement of accounts to the Board and the Board may pass such order thereupon as it deems necessary.

(5) At the closure of each financial year, the Specialized Medical Institution shall prepare, in the prescribed manner, statements of account for that financial year, which shall include a balance sheet and an income and expenditure account.

(6) The expenditure for which provision has not been made in the approved budget shall not be incurred without prior approval from the Board.

(7) The Chief Minister may order to carry out special audit other than routine audit through third party as and when deemed necessary.

25. Power to make rules.-The Government may, by notification in the official Gazette, make rules for carrying out the purposes of the Act.

26. Power to frame regulations.-Subject to the provisions of the Act and rules made thereunder, the Board may frame regulations, not inconsistent with the provisions of the Act, and the applicable standards for carrying out the purposes of the Act.

27. Removal of Difficulties.- Notwithstanding anything contained in the provisions of the Act, the Government may take such measures as deemed fit for the purpose of removing difficulties and ensuring effective and efficient healthcare management.

Ch Amer Habib
Secretary General