

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:4455
ANSWERED ON:22.04.2010
AWARENESS ABOUT DRUG PRICING
Shantha J.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the National Pharmaceutical Pricing Authority has recently started a nation-wide consumer campaign to create awareness about drug pricing and the availability of low cost off-label drugs;
- (b) if so, the details thereof;
- (c) whether the prices differentiate between generic and branded drugs have increased manifold and doctors are mostly prescribing branded drugs in nexus with the manufacturers; and
- (d) if so, the steps the Government proposes to take to ensure that the manufacturers of branded drugs do not sell drugs at higher prices?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): National Pharmaceuticals Pricing Authority (NPPA) has been undertaking a publicity campaign about drug pricing and availability of medicines at low cost for creating awareness among the consumers under the joint campaign between Department of Pharmaceuticals, NPPA and Department of Consumer Affairs under 'Jago Grahak Jago' campaign both through print and Electronic media.

(C) & (d): The prices of all drugs including generic and branded drugs are regulated under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO.95). As per provisions contained therein, the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. NPPA fixes or revises prices of scheduled drugs/formulations as per the provisions of the DPCO, 95. The NPPA monitors the prices of all formulations including imported scheduled formulations under price control. Under the DPCO, 95 no person can sell any formulation (medicine) of price controlled category to a consumer at a price exceeding the price notified/approved by the NPPA. In case, a company is found selling at prices higher than the price notified/approved by the NPPA, action is taken against them as per the provisions of the DPCO, 95.

In respect of drugs - not covered under the Drugs (Prices Control) Order, 1995 i.e. non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government/NPPA. Such prices are normally fixed depending on various factors like the cost of bulk drugs used in the formulation, cost of excipients, cost of R&D, cost of utilities / packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc. However, as a part of price monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Wherever a price increase beyond 10% per annum is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions, action is initiated under paragraph 10(b) of the DPCO, 95 for fixing the price of the formulation in public interest. This is an ongoing process.

However, Rajasthan Government has issued guidelines for prescription of generic medicines in the State Government hospitals. Such orders are expected to add to generic drug prescriptions in the country.