

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

STARRED QUESTION NO:386

ANSWERED ON:22.04.2010

OVERCHARGING OF MEDICINES

Naranbhai Shri Kachhadia;Sugumar Shri K.

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

- (a). whether the National Pharmaceutical Pricing Authority (NPPA) proposes to strengthen its enforcement activities and has sought the approval of the Planning Commission for setting up State level cells to keep a close tab over drug prices across the country;
- (b). if so, the details thereof;
- (c). whether cases of overcharging of medicines have been detected in duty free zones;
- (d). if so, the details thereof; and
- (e). the steps taken by the Government to check overcharging of medicines?

Answer

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

(a) to (e) A Statement is laid on the table of the House.

Statement referred to in reply to Parts (a) to (e) the Lok Sabha Starred Question No.386 (6th position) due for reply on. 22.4.2010 regarding Overcharging of Medicines.

(a) & (b) The National Pharmaceutical Pricing Authority (NPPA) proposal for `Creation of NPPA Cells in States` to closely monitor drug prices, availability, violation of Drugs (Prices Control) Order, 1995 (DPCO, 1995) across the country is one of the components of the new schemes for 11th Five Year Plan for strengthening of National Pharmaceutical Pricing Authority (NPPA), which was sent to the Planning Commission in November, 2007 seeking their `in principle` approval to the schemes. While conveying their `in principle` approval for one of the components of Scheme in March, 2008 the Planning Commission has mentioned that that the other components proposed for strengthening and monitoring of prices of drugs and Pharmaceuticals, including the proposal for `Creation of NPPA Cells in States` would be taken up after the finalization of the draft Pharmaceutical Policy. Since the draft Pharmaceutical Policy is under consideration, this Department is actively pursuing with the Planning Commission for delinking the matter of grant of `in principle` approval from that of finalization of the new Pharma Policy and requesting them to again consider the proposal of new schemes for strengthening of NPPA. However, the Planning Commission is yet to accord `in principle` approval for the remaining components of the Schemes for strengthening of NPPA.

(c) & (d) Some of States such as Himachal Pradesh, Uttaranchal, Jammu & Kashmir, Sikkim and Union Territory of Daman & Diu have a different scheme of excise duty exemption. Some cases of overcharging in the sale of medicines manufactured in these States have come to the notice of NPPA, A list of overcharging cases including those relating to duty free zones are available on the website of NPPA i.e. www.nppaindia.nic.in.

(e) The NPPA also initiates action for overcharging based on complaints from State Drug Controllers (SDCs) as well as individuals, verification of Price lists submitted by the companies and suo-motu procurement of samples of scheduled packs. To ensure compliance of the notified prices, NPPA calls for the control samples of the batches subsequent to the notification and the price list of the companies in respect of the formulations where the companies were found to be overcharging.