

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

STARRED QUESTION NO:145

ANSWERED ON:08.03.2016

Prices of Drugs

Gupta Shri Sudheer;Mahato Shri Bidyut Baran

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

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

- (a) the mechanism in place to regulate the prices of medicines, both life saving and non-life saving and the extent to which the present system has been able to moderate the prices of medicines and drugs;
- (b) whether the National Pharmaceuticals Pricing Authority (NPPA) has permitted hike in the prices of 108 cardio-vascular, anti-diabetes drugs and other medicines and if so, the details thereof and the reasons therefor;
- (c) whether the National Human Rights Commission (NHRC) has issued notice to the Government and NPPA in the matter, if so, the details thereof and the corrective steps taken by the Government in this regard; and
- (d) whether NHRC has also requested the Government to put a cap on the prices of the medicines, if so, the details thereof and the corrective steps taken by the Government in this regard?

Answer

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI ANANTH KUMAR)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 145* for answer on 08.03.2016 regarding Prices of Drugs.

(a): "Life Saving drugs" are neither defined in the Drugs (Prices Control) Order, 2013 (DPCO, 2013) nor in the National Pharmaceutical Pricing Policy, 2012 (NPPP, 2012). All the medicines specified in the National List of Essential Medicines 2011 (NLEM) have been included in the First Schedule of DPCO, 2013. The prices of scheduled medicines are fixed on the principle of market based pricing as enunciated in the NPPP, 2012. Out of total 680 scheduled formulations (628 net) under Schedule- I of DPCO, 2013, NPPA fixed the ceiling prices of 530 scheduled formulations on market based pricing methodology (This includes 53 formulations for cardiovascular diseases, 6 for diabetes, 20 for HIV / AIDS, 24 for Tuberculosis, 47 for Cancer and 6 for kidney diseases). Consequent to the price fixation of drugs under this order, affordability of the medicines has improved. NPPA has also fixed the retail price of 283 'new drugs' (which fall within the purview of Para 2(u) of DPCO.2013).

(b): No, Madam. On the contrary, NPPA capped the MRP of 108 non-scheduled medicines, out of which 84 are used for treatment of cardiovascular diseases and 22 for diabetes under paragraph 19 of Drugs Prices Control Order, 2013 on 10.07.2014 (Subsequently prices of 2 formulations were withdrawn, as they were already fixed under scheduled category). A large number of manufacturers have implemented the price reduction and the price notifications of 10.07.2014 issued by NPPA are still in operation. The reduction in prices effected as compared to the highest price prevailed prior to price capping are as follows:

<> % reduction with respect to Highest prevailing MRP (No. of Drugs)

Diabetic Cardiovascular Total

0 <= 5% 7 10 17

5 <= 10% 2 10 12

10 <= 15% 1 11 12

15 <= 20% 1 8 9

20 <= 25% 2 12 14

25 <= 30% 2 7 9

30 <= 35% 2 7 9

35 <= 40% 1 4 5

Above 40% 4 15 19

Total 22 84 106

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(c) & (d): Law Division of National Human Right Commission (NHRC) issued notice to the Government on 01.01.2015 calling for a report on withdrawal of internal guidelines of NPPA issued on 29.05.2014. The reply to the notice of NHRC was furnished by the Government on 19.03.2015. NHRC has asked for some further details in the matter by letter dated 23.02.2016 which will be replied

within stipulated time.

The provisions of para 19 of DPCO, 2013 are still in force and the delegated power to exercise the same rests with the National Pharmaceutical Pricing Authority (NPPA).
