

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA
UNSTARRED QUESTION NO.5242
TO BE ANSWERED ON 27th March,2018

Intervention by NPPA

5242. SHRI S.R. VIJAYAKUMAR:
SHRI T.RADHAKRISHNAN:
SHRI A. ANWHARRAAJHAA:
SHRI SUDHEER GUPTA:
SHRI GAJANANKIRTIKAR:
SHRI NARANBHAIKACHHADIYA:
SHRI BIDYUT BARANMAHATO:

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

- (a) whether the National Pharmaceutical Pricing Authority (NPPA) has studied the trade margin on various medical equipment and medicines recently;
- (b) if so, the details of the study and the outcome thereof;
- (c) whether the NPPA has found that needles and syringes are sold at prices far above their manufacturing costs in the country, if so, the details thereof and the reasons therefor;
- (d) whether the Government has received any demand for intervention in regulating the prices and if so, the details thereof along with corrective measures taken/being taken by the Government in this regard; and
- (e) the further steps being taken by the Government to prevent artificial rise in the MRP of medicines and medical equipments at the behest of hospitals?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS;
MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI MANSUKH L. MANDAVIYA)**

- (a): Yes, Madam. National Pharmaceutical Pricing Authority (NPPA) has analyzed the trade margin of syringes, needles, cardiac guide wire, balloon catheter and guiding catheter and uploaded the details of the same on the website of NPPA (www.nppaindia.nic.in).
- (b): During the examination of data, it was found that the prices of catheter, balloon catheter and guidewire are exorbitantly high and average margin varied from 62% to 405%. Similarly maximum trade margin on disposable syringes with needles varied from 332% to 1,251%, that on insulin pen needles and disposable hypodermic needles varied from 57% to 789%.
- (c): The price fixation under the Drugs (Prices Control), 2013 (DPCO, 2013) is done on market criteria and not on cost basis. However, as mentioned at (b) above, NPPA had found that the trade margin on disposal syringes with needles varied from 332% to 1,251%, that on insulin pen needles and disposable hypodermic needles varied from 57% to 789%. As per

the provision of DPCO, 2013, 16% margin is provided to retailers on price to retailer (PTR) for scheduled medicines. However, no such cap is there for non-schedule medicines.

(d) At various consultations held with the stakeholders, a few stakeholders have advocated for price regulation. NPPA requested Ministry of Health & Family Welfare (MoH&FW) to include cardiac catheters, balloon, and guidewire and intra ocular lenses under National List of Essential Medicines so that the ceiling prices of these medical devices could be fixed.

(e): Health is a State subject, it is for the respective State/UT Government to take action against hospitals which are overcharging the consumers under the appropriate statutory provisions applicable in the State/UT. However, as per the provisions of DPCO, 2013, manufacturers of scheduled medicines are not allowed to sell their products beyond the ceiling prices fixed by NPPA. There is no such cap on non-scheduled medicines. However, the manufacturers are not allowed to increase the price more than 10% per annum. Any violation is dealt with as per the provisions of this order.
