

**GOVERNMENT OF INDIA
MINISTRY OF HEALTH AND FAMILY WELFARE
DEPARTMENT OF HEALTH AND FAMILY WELFARE**

**LOK SABHA
UNSTARRED QUESTION NO. 4730
TO BE ANSWERED ON 23rd MARCH, 2018**

OVERCHARGING FOR DRUGS AND CONSUMABLES

**4730. SHRI C.N. JAYADEVAN:
SHRI RAHUL SHEWALE:
SHRI BHARTRUHARI MAHTAB:
SHRI SANJAY DHOTRE:**

Will the Minister of **HEALTH AND FAMILY WELFARE** be pleased to state:

(a) whether an investigation by National Pharmaceutical Pricing Authority (NPPA) has found that four private hospitals in Delhi were profiteering by overcharging for the drugs and consumables which the patients are forced to buy from in-house pharmacies; and

(b) if so, the details thereof and the action taken against the said hospitals on the basis of the said report?

**ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND
FAMILY WELFARE
(SMT. ANUPRIYA PATEL)**

(a) & (b): Yes. Based on complaints and media reports on overpricing and inflated bills to the patients by some hospitals, National Pharmaceutical Pricing Authority (NPPA) had asked for details of billing from these hospitals under the provisions of Drugs (Prices Control) Order, 2013 (DPCO, 2013). Based on the data submitted by the hospitals, NPPA has observed that there is an upward gap between the procurement prices of drugs and amounts at which the drugs are billed to the patients for some scheduled medicines, non-scheduled medicines, consumables and devices used in the treatment of patients. As per the provisions of DPCO, 2013, while arriving at a ceiling price of scheduled formulations and retail price of new drugs, sixteen percent margin to retailer is counted. According to NPPA's report, the highest margin (difference of amount billed for the formulation by the hospitals and their procurement price expressed in percentage terms) available to these hospitals on scheduled medicines, non-scheduled medicines, consumables and non-scheduled medical devices are 357%, 1192%, 1737% and 1271% respectively.

Study reports prepared on the basis of information submitted by these hospitals is available under the "What's New" link of website of NPPA. (www.nppaindia.nic.in).

Since Health is a State subject, it is for the respective State/UT Government to take action against the private hospitals under the appropriate statutory provisions applicable in the State/UT.