

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

LOK SABHA
UNSTARRED QUESTION NO. 3927
TO BE ANSWERED ON 20th March, 2018

Unethical Practices by Private Hospitals

†3927. SHRI DHARMENDRA YADAV:
DR. SHRIKANT EKNATH SHINDE:
SHRI SHRIRANG APPA BARNE:
SHRI VINAYAS BHAURAO RAUT:

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

- (a) whether several patients and the health groups have criticized the excessive and unethical pricing by private hospitals and stressed the need for regulation of healthcare charges;
- (b) whether a number of other alarming revelations have been made by the National Pharmaceutical Pricing Authority (NPPA), such as, about 25 per cent of a patient's hospital bill is the cost of non-schedule formulations, or those medicines that are not under price control;
- (c) whether NPPA has recommended a policy intervention to address the unethical practices carried out by private hospitals, thereby making healthcare not just unaffordable but also inaccessible to the common man and if so, the details thereof;
- (d) whether the profit margin in non-scheduled equipments like catheters, syringes and insertion equipments indicates the unethical profit more explicitly in a unsuccessful market system and if so, the reaction of the Government thereto; and
- (e) the steps taken by the Government to formulate a policy to address the unethical practices by the private hospitals and the time by which the said policy is likely to be formulated and implemented?

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.
- (b): National Pharmaceutical Pricing Authority (NPPA) has reported that the total cost on scheduled medicines {specified under National List of Essential Medicines (NLEM) and brought under price control} used in the treatment is only 4.10 % as compared to 25.67% on non-scheduled formulations.
- (c): Diagnostics services along with all other charges by hospitals are beyond the purview of NPPA and the Central Government and can be regulated only through State specific laws whether through adoption of central model 'Clinical Establishment Act, 2010 and corresponding Rules' or otherwise through its own specific legislation by State Government.
- (d): The profit margins in the non-scheduled devices used in the three cases (syringes, cannula and catheters) are exorbitant and clearly a case of unethical profiteering in a failed market system. NPPA vide its notification No. 639(E), dated

12th February, 2018 at para 13(m), directed all healthcare institutions performing angioplasty and billing the patient to mention billing cost of cardiac catheters, balloon catheter and guide wire along with the name of the company, brand name, batch number and specifications in order to bring in greater transparency in the billing and for effective monitoring of the Maximum Retail Prices (MRPs) under Para 20 of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). Further, the Government, in extra-ordinary circumstances, if it considers necessary to do in public interest, can fix the ceiling price of any formulation/medical device.

(e): Public Health being a State subject, the primary responsibility of supply of medicines and management of hospitals lies with the State/Union Territory Governments. However, the National Council for Clinical Establishments, Ministry of Health & Family Welfare (MoH&FW) has approved a standard list of medical procedures and a standard template for costing of medical procedures and the same have been shared with the States for appropriate action.
