

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
LOK SABHA
UNSTARRED QUESTION NO: 1588
ANSWERED ON: 20.09.2020

Price Control of Essential Life Saving Drugs

Dean Kuriakose

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

- (a) the number of drugs put under 'price control' in the country;
- (b) whether the Government has any proposal to increase the number by including more lifesaving drugs and if so, the details thereof;
- (c) whether cases of selling such drugs at 'high price' have come to the notice of the Government; and
- (d) if so, the details of such cases reported and the action taken in this regard?

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

ANSWER

MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI D.V. SADANANDA GOWDA)

(a): The National Pharmaceutical Pricing Authority (NPPA) fixes the ceiling price of scheduled formulations adopted from the National List of Essential Medicines (NLEM) and new drugs as per the provisions of Para 4, 5 and 6 of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). The details of medicines under price control are as below:

(i) There were 348 medicines in the National List of Essential Medicines 2011 (NLEM) which were included in the First Schedule of the DPCO, 2013. The NPPA fixed the ceiling prices of 530 scheduled formulations of such medicines based on market based pricing methodology.

(ii) Schedule -I of the DPCO, 2013 was amended by adopting NLEM, 2015 consisting of 377 medicines. The NPPA has fixed the ceiling prices of 871 scheduled formulations of medicines under the NLEM, 2015. The detail of price fixed is available on the NPPA's website www.nppaindia.nic.in.

(iii) The NPPA has also fixed the retail price of 1373 new drugs under the DPCO, 2013 till date.

(iv) The NPPA fixed prices of 106 Anti-diabetic and Cardiovascular drugs under Para 19 of the DPCO, 2013 in public interest.

(v) The NPPA has fixed ceiling price of Cardiac Stents being scheduled formulation under the DPCO, 2013, resulting in price reduction for Coronary Stents which worked out up to 85% for Bare Metal Stents and 74% for Drug Eluting Stents.

(vi) The NPPA has fixed ceiling price of Orthopaedic Knee Implants under Para 19 of the DPCO, 2013 in Public interest, resulting in price reduction for Orthopaedic Knee Implants which worked out up to 69%.

(vii) The NPPA capped the Trade Margin of non-scheduled formulations of 42 Anti-cancer medicines under "Trade Margin Rationalization" approach as a Pilot for proof of concept, wherein price of more than 500 brands of medicines were reduced up to 90%.

The fixation of prices has resulted in a total saving of Rs. 12,447 crore per annum to the public after the implementation of the DPCO, 2013.

(b): As an ongoing process, the NPPA fixes the ceiling prices of the formulations as and when formulations are included in the National List of Essential Medicines (NLEM).

(c) & (d): The NPPA monitors the prices of both scheduled and non-scheduled formulations on regular basis to check overcharging by pharmaceutical companies. Whenever companies are found to be overcharging the consumer in sale of medicine, the NPPA issues notices to the companies to deposit the overcharged amount along with applicable interest under the DPCO, 2013 read with Section 7A of the Essential Commodities Act, 1955.

Since inception of the NPPA, 2086 demand notices have been issued to pharmaceutical companies for overcharging consumers on the sale of formulations at prices above the ceiling

price notified by the NPPA. Demand Notices have been issued for total amount of Rs. 6411.28 crore. Amount to the tune of Rs. 965.81 crore has been deposited by the companies to the Government. An amount of Rs. 4081.93 crore is under litigation. The detailed list of overcharging cases where demand notices have been issued is available on NPPA's website www.nppaindia.nic.in.
