

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1307
TO BE ANSWERED ON 01st August, 2023

Out-of-pocket expenses on medicines

1307 Shri Jaggesh:

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

- (a) whether, regardless of the fact that ‘India is the pharmacy of the world’, out-of-pocket expenses on medicines is the largest cause for pushing families beyond the poverty threshold in the country;
- (b) whether there is a need to make use of the provisions under para 19 of Drugs Prices Control Order (DPCO) 2013 to make them more affordable to patients; and
- (c) if so, the details thereof including the list of drugs so identified for capping prices and the time frame for its notification?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI BHAGWANTH KHUBA)**

(a): As per the National Health Accounts Estimates 2019-20, brought out by MoHF&W in the year 2023, Household’s Out of Pocket Expenditure on health is 41.1% of the Total Health Expenditure (THE). Further for the same period, the total Pharmaceutical Expenditure (includes prescribed medicines, over-the-counter drugs, and those provided during an inpatient, outpatient, or any other event involving contact with health system) is 35.1% of the Current Health Expenditure.

(b) to (c): As per the para 19 of Drugs (Prices Control) Order, 2013 (DPCO, 2013), under extra-ordinary circumstances, Government may fix and revise ceiling price or retail price of any drug, if it considers necessary so to do in public interest for such period as it may deem fit. Time frame of the price notifications are given on the basis of assessment of public interest. The details of drugs brought under price control / regulation by National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals (DoP) under Para 19 of DPCO, 2013 are given below:

(i) Price (ex-factory) of Liquid Medical Oxygen (LMO) were capped to ₹ 15.22 per cubic meter (excluding GST) and the price (ex-factory) of Oxygen Inhalation (Medicinal gas) to ₹ 25.71 per cubic meter (excluding GST) vide notification dated 25.09.2020. The revised ceiling prices were extended up to 31.03.2023.

(ii) Price of Oxygen Concentrators, Pulse Oximeter, Blood Pressure Monitoring Machine, Nebulizer, Digital Thermometer and Glucometer were capped under “Trade Margin Rationalization” approach in June/July 2021. The price was extended up to 30.06.2023.

(iii) Ceiling price of Orthopaedic Knee Implants have been fixed since 16.08.2017 in public interest. The price notification is currently in force up to 30.09.2023.

No time frame is given in the following price notifications:

(a) In 2014, MRP of 106 non-scheduled drug formulations have been capped which includes 22 diabetics and 84 cardiovascular drugs.

(b) Trade Margin of non-scheduled formulations of 42 select Anti-cancer medicines were capped under “Trade Margin Rationalization” approach as a pilot for proof of concept, wherein price of about 500 brands of medicines were reduced up to 90%.

The details of prices fixed by NPPA are available on the website of NPPA i.e., nppaindia.nic.in.
