

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

RAJYA SABHA
STARRED QUESTION NO. *158
TO BE ANSWERED ON 10th DECEMBER, 2024

Regulating the cost of essential medicines in the country

158 Shri Jose K. Mani:

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

- (a) the measures being implemented by Government to regulate and reduce the cost of essential medicines in the country;
- (b) the number of medicines currently listed under price control by the National Pharmaceutical Pricing Authority (NPPA); and
- (c) the details of steps being taken to increase the availability of affordable generic medicines in rural and semi-urban areas?

ANSWER

**THE MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI JAGAT PRAKASH NADDA)**

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to the Rajya Sabha Starred Question No. 158 (8th Position) for answer on 10.12.2024 raised by Shri Jose K. Mani regarding “Regulating the cost of essential medicines in the country”

(a) & (b): Ministry of Health & Family Welfare notifies the National List of Essential Medicines (NLEM), which is incorporated as the Schedule-I of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals, fixes the ceiling price of these scheduled medicines in accordance with the provisions of DPCO, 2013. All manufactures of scheduled medicines have to sell their products within the ceiling price (plus applicable Goods and Service Tax) fixed by the NPPA. As on 04.12.2024, Ceiling Prices of 926 scheduled formulations have been fixed by NPPA under the provisions of DPCO, 2013.

In addition, NPPA also fixes the retail price of new drug as defined in DPCO 2013. The retail price of a new drug is applicable to the applicant manufacturer and they cannot sell the new drug above the price notified by the NPPA. As on 04.12.2024, Retail Price of approx. 3,046 new drugs have been fixed under DPCO, 2013.

In case of non-scheduled formulations, a manufacturer is at liberty to fix the Maximum Retail Price (MRP) of the drugs launched by it. However, as per the DPCO 2013, no manufacturer can increase MRP of non-scheduled drug by more than 10% during preceding 12 months.

In addition, the NPPA has taken over measures to regulate the prices of drugs using special provisions under Para 19 of DPCO, 2013 which inter alia include:

(i) NPPA capped the MRP of 106 non-scheduled drug formulations in 2014 which includes 22 diabetic and 84 cardiovascular drugs on account of high inter brand variation for the same medicine.

(ii) As a patient centric measure, ceiling price of Orthopaedic Knee Implants were fixed in August 2017.

(iii) In February, 2019, Trade Margin of non-scheduled formulations of 42 select Anti-cancer medicines were capped under “Trade Margin Rationalization” approach, wherein prices of above 500 brands of medicines were reduced by average around 50 percent.

(iv) Price of Oxygen Concentrators, Pulse Oximeter, Blood Pressure Monitoring Machine, Nebulizer, Digital Thermometer and Glucometer were capped under “Trade Margin Rationalisation” Approach in June 2021 and July 2021.

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

(c): Under the Pradhan Mantri Bhartiya Janaushadhi Pariyojana quality medicines at affordable prices is provided through dedicated outlets known as Jan Aushadhi Kendras (JAKs). Jan Aushadhi medicines are cheaper by at least by 50% and in some cases, up to 80% to 90% of the market price of branded medicines available in the market. Till 30th November, 2024 a total of 14,320 JAKs have been opened all over the Country. To increase access to medicines in rural areas, the Pharmaceuticals & Medical Devices Bureau of India has partnered

with the Cooperative sector to open 687 JAKs through Primary Agriculture Cooperative Societies (PACS). These JAKs are providing medicines at affordable prices to rural people.

In addition, Ministry of Health and Family Welfare has rolled out the Free Drugs Service Initiative under National Health Mission. Under this scheme, there is a provision of financial support to States/UTs for 106 drugs at Sub Health Centre (SHC) level, 172 at Primary Health Centre (PHC) level, 300 at Community Health Centre (CHC) level, 318 at Sub-District Hospital (SDH) level and 381 drugs at District Hospitals.
