

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

LOK SABHA
UNSTARRED QUESTION NO. 1019
TO BE ANSWERED ON 24th July, 2018

Charging of Higher Price for Drugs

†1019. SHRI KIRTI AZAD:

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

- (a) whether it is a fact that private hospitals in Delhi are selling drugs at higher price which at times is 1000 per cent higher than the cost price of the drugs and if so, the details thereof;
- (b) whether the National Pharmaceutical Pricing Authority (NPPA) has conducted any raid on the hospitals of Delhi in this regard; and
- (c) if so, the details thereof and the action taken against the hospitals charging higher rates for drugs?

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. 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 the Drugs (Prices Control) Order, 2013 (DPCO, 2013). Based on the data submitted by the hospitals, NPPA has observed that there is 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).

(b): NPPA has not conducted any raids in hospitals in Delhi regarding inflated prices on medicines.

(c): In view of reply at (b) above, occasion does not arise.
