

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

LOK SABHA
UNSTARRED QUESTION NO. 1657
TO BE ANSWERED ON 2nd July, 2019

Price of Medicines

1657. DR. SANJAY JAISWAL:

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

- (a) the date since when a decline has been registered in the prices of medicines after the efforts by the Government;
- (b) the number of life-saving medicines and the extent to which their prices have been reduced;
- (c) the time by which the target of providing free medicines to the poor people would be achieved; and
- (d) whether the Government has identified the areas for this purpose and if so, the details thereof?

ANSWER

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

(a) & (b): India has a long history of price control and first comprehensive order was promulgated under section 3 of Essential Commodities Act called the Drugs (Price Control) Order, 1970 (DPCO). Subsequently, the Government promulgated DPCO, 1979, DPCO, 1987, DPCO, 1995 and DPCO, 2013. The emphasis under all the previous DPCOs was to control the price of scheduled formulations through control in price of bulk drug. However, in the policy shift under DPCO, 2013, the price of essential medicines / formulations were brought under price control.

Drugs (Prices Control) Order, 2013 (DPCO) came into effect from 15/05/2013. National List of Essential Medicines 2011 (NLEM-2011) was adopted as the original Schedule-I of DPCO. Subsequently, in March 2016, National List of Essential Medicines 2015 (NLEM-2015) was notified as revised Schedule-I of DPCO. Government has fixed the ceiling prices of 530 scheduled medicines under Original Schedule- I of the DPCO and 857 scheduled formulations/packs under revised Schedule -I of DPCO (upto 31/05/2019).

Statement showing reduction in price with respect maximum price under original Schedule I (NLEM-2011)

% reduction with respect to Maximum Price	No. of drugs
0<= 5%	80
5<=10%	50
10<=15%	57
15<=20%	43
20<=25%	65
25<=30%	49
30<=35%	26
35<=40%	34
Above 40%	126
	530

Statement showing reduction in price with respect maximum price under revised Schedule- I (NLEM-2015) up to 31/05/2019

% reduction with respect to Maximum Price	No. of formulations
0<= 5%*	234
5<=10%	138
10<=15%	98
15<=20%	100
20<=25%	93
25<=30%	65
30<=35%	46
35<=40%	24
Above 40%	59
Total formulations in NLEM 2015	857

Further, National Pharmaceutical Pricing Authority (NPPA) has capped the prices of 42 non-scheduled anti-cancer medicines under 'Trade Margin Rationalisation' Approach. By this MRP of 526 brands of these medicines were reduced by upto 90% and this would result in approx. annual savings of around Rs. 984 Crores to the patients.

(c) & (d): Pursuant to the Union budget announcement in 2014, Operational Guidelines along with Model Request for Proposals (RFP)s for implementing the National Health Mission (NHM) Free Drug Service Initiative were developed and shared with the States on 2nd July, 2015. To nudge State towards adoption of policy to provide free essential generic drugs in public health facilities, upto 5% additional funding (over and above the normal allocation of the state) under the NHM was introduced as an incentive. Advocacy by the Ministry of Health and Family Welfare under the National Health Mission was done with all the States for provision of free essential drugs in all public health facilities under this initiative. Accordingly, all the States/UTs have reported to have notified policy to provide free drugs in public health facilities.

Support under the NHM is provided not only for drugs but also for various components necessary for effective implementation of Free Drug Service Initiative viz. strengthening/setting up robust systems of procurement, quality assurance, IT backed supply chain management systems like Drugs and Vaccines Distribution

Management Systems (DVDMS) developed by The Centre for Development of Advanced Computing (CDAC), ware housing, prescription audit, grievance redressal, Information, Education and Communication (IEC), training, dissemination of Standard Treatment Guidelines, etc. The DVDMS provides real-time status of drugs and vaccines in different health facilities to help in better planning, execution and control on demand and supply at all the levels thereby avoiding stock outs and wastages. A few states are also implementing the same through their State enabled IT System.

Based on the National List of Essential Medicines (NLEM), the indicative numbers of drugs/formulations to be provided at facilities have been provided in the guidelines (District Hospitals - 544, Community Health Centres – 455, Primary Health Centres -285 and Sub-centres – 57). However States have the flexibility to add more. Hence the Essential Drugs List (EDL) of States vary from State to State. Operational Guidelines are placed at website of NHM i.e. www.nhm.gov.in under NHM Components > Health Systems Strengthening > Free Drugs & Diagnostics Service Initiative Tab.
