

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

LOK SABHA
UNSTARRED QUESTION NO. 1462
TO BE ANSWERED ON 28th July, 2023

Selling Price and MRP of Non-Essential Drugs

1462. SHRIMATI MALA ROY:

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

- (a) whether the Government is aware that there is a significant markup between the sale price and maximum retail price of non-essential drugs;
- (b) if so, the details thereof;
- (c) whether the Government is aware that drug prices constitute a very significant percentage of Out of pocket expenditure in health sector;
- (d) if so, the details thereof; and
- (e) the steps taken/proposed to be taken by the Government in this regard?

ANSWER

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

(a) & (b): The prices of drugs are regulated as per the provision of Drugs (Prices Control) Order, 2013 (DPCO, 2013). National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals regulates and monitors the prices of drugs as per the provisions of DPCO, 2013. The DPCO, 2013 provides for monitoring the increase in prices of non-scheduled formulations [i.e., drugs not included in the National List of Essential Medicines (NLEM) that is notified by Ministry of Health and Family Welfare (MoHF&W)] and such medicines are not allowed to increase the maximum retail price (MRP) by more than 10% of the MRP during preceding twelve months.

(c) to (d): 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.

(e): The government has undertaken several initiatives to bring down Out-of-Pocket Expenditure on drugs in the country. Some of these initiatives include regulation of prices of drugs by NPPA; provision of quality generic medicines at significantly cheaper rates through the Pradhan Mantri Bhartiya Janaushadhi Kendreas under Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP); Pradhan Mantri Jan Arogya Yojana (PM-JAY) under Ayushman Bharat - a government-funded insurance scheme; Free Drugs Service Initiative of National Health Mission (NHM) under which support is provided for provision of essential drugs free of cost in public health facilities; Free Treatment for TB under RNTCP; Janani Shishu Suraksha Karyakram for all pregnant women and children upto the age of one year; and Pradhan Mantri Ayushman Bharat Health Infrastructure Mission to strengthen grass root public health institutions to universal comprehensive primary healthcare services including diagnostics and treatment to critical care services.
