GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS

LOK SABHA
UNSTARRED QUESTION NO. 3713
TO BE ANSWERED ON 17th March, 2020

Price Revision by NPPA

3713. SHRI KAUSHALENDRA KUMAR:

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

(a) whether the National Pharmaceuticals Pricing Authority (NPPA) has recently revised the pricing norms of 509 medicines out of Drug Price Control Order (DPCO) list and if so, the reasons for the same;
(b) whether it is a fact that once price is revised, the drug prices would increase by more than 50 per cent of the current prices fixed by the Government;
(c) if so, whether it would not be costing more to the consumers who are already in stress due to high inflation and price rise in essential commodities specially during the last six months period; and
(d) whether it is also a fact that this revision has been done by NPPA on the demands of big pharma companies and if so, the details thereof?

ANSWER

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

(a) to (c): No reference of revision of pricing norms for 509 medicines recently is available. The National Pharmaceutical Pricing Authority (NPPA) has received applications for upward price revision under para 19 of the Drugs (Prices Control) Order, 2013 (DPCO, 2013) citing various reasons like increase in Active Pharmaceutical Ingredient (API) cost, increase in cost of production, exchange rates etc. resulting in unviability in sustainable production and marketing of the drugs. Based on the recommendation of Standing Committee on Affordable Medicines and Health Products (SCAMHP), ceiling price of shortlisted 21 scheduled formulations of 12 medicines were revised by allowing one time price increase of upto 50% from the present ceiling price in public interest as an exceptional measure by invoking para 19 of the DPCO, 2013.

A Committee comprising of Adviser (Cost), Adviser, DGHS and Deputy Drug Controller, DCGI under the convenorship of Director (Pricing, NPPA), examined such formulations based on parameters of essentiality, market share of the applicant company and available alternatives etc. It was noted that these scheduled formulations are low priced drugs and have been under repeated price control. Most of these drugs are used as first line of treatment and are crucial to the public health program of the country. Many companies have applied for discontinuation of the product on account of unviability. Therefore, these formulations were considered for upward price revision to enable onward manufacturing, and hence continued availability to the consumers.

(d): The NPPA doesn't differentiate in big and small companies for upward price revisions. Primarily price revision has been undertaken where manufacturer held large market share and any discontinuation on ground of unviability, would have seriously impacted availability of the drug.

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