

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

LOK SABHA
UNSTARRED QUESTION NO. 3866
TO BE ANSWERED ON 17th March, 2020

Recommendation on price Control by NITI Aayog

3866. DR. SANJAY JAISWAL:

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

- (a) whether it is a fact that NITI Aayog is now giving recommendations on price control to NPPA and if so, the details thereof;
- (b) whether these recommendations are binding in nature;
- (c) if not, the details of recommendations on price control which have not been accepted; and
- (d) the reforms taken up in NPPA to improve its functioning during the last three years?

ANSWER

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

(a): Standing Committee on Affordable Medicines and Health Products (SCAMHP) under the chairmanship of Member (Health), NITI Aayog was constituted vide Order dated 21st January, 2019 of Department of Pharmaceuticals. On National Pharmaceutical Pricing Authority (NPPA)'s request the committee made the following recommendations:

(i) In its first meeting dated 25th February, 2019, the SCAMHP made recommendation regarding the modalities of Trade Margin Rationalisation of select non-scheduled anti-cancer medicines.

(ii) In its second meeting dated 07th November, 2019, the SCAMHP made recommendations regarding upward price revisions of scheduled formulations which were becoming unviable.

(b): The recommendations of SCAMHP are not binding in nature.

(c): In the second meeting regarding upward price revision of select scheduled formulations, SCAMHP recommended that subsequent annual price increase would be 10% for a period of 3 years. The recommendation was deliberated upon in the Authority meeting dated 09th December, 2019 wherein it was decided that the subsequent annual price revision for such 21 scheduled formulations would be as per the Wholesale Price Index (WPI).

(d): The following initiatives have been taken to improve the functioning of the NPPA:-

(i) The Government has directed NPPA to place a draft version of price calculation sheets on the website of NPPA for 10 clear working days to invite comments from affected pharma firms. Only after taking into account the comments or any additional data thus received within the given time period, the NPPA shall finalize the ceiling and retail prices.

(ii) The NPPA has cleared the backlog of retail price applications and the pendency has been brought to concurrent level.

(iii) For greater awareness in public, NPPA has launched Information, Education and Communication (IEC) campaign.

(iv) The NPPA has set up Price Monitoring and Resource Units (PMRUs) under the 'Consumer Awareness Publicity and Price Monitoring (CAPPM) Scheme' in the eleven (11) States viz. Kerala, Gujarat, Odisha, Rajasthan, Punjab, Haryana, Nagaland, Tripura, Uttar Pradesh, Andhra Pradesh and Mizoram till date.

(v) Stakeholder consultations are held from time to time for important issues.

(vi) Two Pharma economic experts have been inducted in the Multidisciplinary Committee of Experts to enable reasoned consideration of claims on separate pricing for R&D promotion.
