

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

LOK SABHA
UNSTARRED QUESTION NO. 1289
TO BE ANSWERED ON 9th February, 2021

Rates of Essential Medicines

1289. SHRI KAUSHALENDRA KUMAR:

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

- (a) whether the NPPA is not working actively as there is strict norms on DPCO, still pharma companies are increasing the rates of essential medicines and if so, the details thereof;
- (b) whether it is true that pharma companies are overcharging on maximum medicines and if so, the details thereof;
- (c) whether the price increase in essential eye drops like Timolet-OD, Bimat, Betagan and Lumigan since the last two years has also indicated overcharging by pharma companies;
- (d) the extent of price rise of essential drugs under the DFPCO list;
- (e) whether the Government has any mechanism to control the DPCO prices; and
- (f) if so, the details thereof?

ANSWER

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI D. V. SADANANDA GOWDA)

(a): National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals (DoP) is working actively as per provisions of the Drugs (Prices Control) Order (DPCO) and fixes the ceiling prices of scheduled drugs listed in the National List of Essential Medicines (NLEM) and included as Schedule - I of the DPCO, 2013. The scheduled formulations comprise approx 18% of Market. Till date, under DPCO, 2013 NPPA has fixed the prices as under:

- (i) Ceiling price of 881 scheduled formulation under revised scheduled I of DPCO, 2013.
- (ii) Retail price of 1474 new drugs under the DPCO, 2013.
- (iii) Prices of 106 Anti-diabetic and Cardiovascular drugs under Para 19 of the DPCO, 2013 in public interest.
- (iv) Ceiling price of Cardiac Stents being scheduled formulation under the DPCO, 2013 affecting price reduction for Coronary Stents up to 85% for Bare Metal Stents and 74% for Drug Eluting Stents.
- (v) Ceiling price of Orthopaedic Knee Implants under Para 19 of the DPCO, 2013 in Public interest affecting price reduction for orthopaedic Knee Implants up to 69%.
- (vi) Capped the Trade Margin of non-scheduled formulations of 42 Anti-cancer medicines under "Trade Margin Rationalization" approach as a Pilot for proof of concept, wherein price of more than 500 brands of medicines were reduced up to 90%.

The fixation of prices has resulted in a notional savings of about Rs. 12,447 crores per annum to the public after implementation of the DPCO, 2013.

(b): NPPA, an independent body of experts monitors the prices of Scheduled and Non-scheduled drugs in the country as per provisions of the DPCO, 2013. If a company violates the provisions of DPCO, 2013, action for overcharging is taken against it. NPPA has initiated 2116 number of overcharging cases. An amount of Rs. 978.82 Crore has been recovered till 31st December, 2020 from pharmaceutical companies.

(c): Of the four medicines, Timolet-OD is a scheduled formulation. NPPA has fixed ceiling price of Timolet-OD (containing Timolol 0.5% Drops) at Rs. 11.89 per ml vide SO No. 1213(E) dated 25.03.2020 and the formulation is in compliance with the ceiling price fixed. Further, in case of the remaining three Non scheduled formulations, as per market-based data referred by NPPA, Betagan and Lumigan are in compliance with the provisions of Para 20 of DPCO, 2013, while in the case of Bimat overcharging has been indicated as per the provisions of DPCO, 2013. NPPA has initiated action against the manufacturer.

(d): The ceiling price of scheduled medicines (Branded or generic) is specified in the first schedule of DPCO, 2013 All the manufacturers of Scheduled medicine have to sell their products within the ceiling price (plus applicable local taxes) fixed by NPPA. Further, the ceiling price of scheduled medicine is revised on 1st April every year based on the annual Wholesale Price Index (WPI) for preceding calendar year. Further, in case of Non-scheduled formulations manufacturers can increase the prices up to 10%.

(e) & (f): NPPA, with the help of Price Monitoring & Resource Units (PMRUs) and State Drug Controllers (SDCs) regularly monitors and enforces the price fixed under the DPCO, 2013. Samples are also purchased from the open market throughout the country on random basis through SDCs to ensure price compliance. NPPA takes prompt action on the basis of complaints received regarding overcharging through various channels. It also monitors the prices of Non-scheduled formulations for increase in the prices beyond 10% during preceding twelve months.
