

## STENT PRICE CAP

# Didn't consider hospital profits, clarifies NPPA

ENS ECONOMIC BUREAU  
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AFTER DECIDING the price cap on stents on February 13, the National Pharmaceutical Pricing Authority (NPPA) on Saturday clarified that it did not consider any profits for hospitals while taking the decision.

“NPPA didn't take price to hospitals (PTH) as price to retailers (PTR) and considered hospitals out of stents 'trade channel' for price fixing,” the NPPA tweeted on Saturday. According to the industry practice, the hospital usually charges the patient a price that is inclusive of its own profit margins, which is on top of the retailer's price for that stent.

For example, if the retailer's final price for a stent is Rs 60,000, the hospital will add its profit of Rs 40,000 and would charge the patient a total of Rs 1 lakh. This amount is in addition to the price paid by the patient for hospital services and medical procedures.

Senior officials of NPPA and the Department of Pharmaceuticals (DoP) met stent manufacturers and importers on Saturday to review availability of stents in the market. These officials have been getting reports that some companies are trying to create artificial shortage of

### 'OUT OF STENTS TRADE CHANNEL'

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stents in market post price cap announcement.

“Chairman of NPPA and Secretary of DoP stated at our meeting today that hospitals are not retailers. No margin has been envisaged for hospitals by NPPA in pricing of stents. Hospitals need to make income from procedure and compete with other hospitals on cost and quality of procedure and not medical devices used in the procedure,” said Rajiv Nath, forum coordinator, Association of Indian Medical Device Industry (AIMED).

On February 13, the NPPA capped the prices of coronary stents to provide relief to cardiac patients. A stent is a tiny expandable metal scaffold to open up narrowed or blocked arteries. The ceiling price of bare metal stents has been fixed at Rs 7,260 per piece and that of drug-elut-

ing stents and biodegradable stents has been fixed at Rs 29,600 per piece.

“Since hospitals won't make money on stents so their recommendation and procurement will shift back to the buying price of product and its perceived or factual quality and not on margins from higher MRP. After some time you will find many stents being sold less than the capped MRP — this is my personal forecast,” Nath added.

On the issue of artificial shortage of stents in the market, the NPPA has already written to all chief secretaries of the states to ensure “compliance of stents price capping, its availability and uninterrupted cardiac care services”. Moreover, the regulator has also asked the stent manufacturers to provide a report on “price revision compliance along with evidence” by March 1.