

# Govt may negotiate price of drugs before its market entry

**'Move Likely To Bring Down Prices'**

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**New Delhi:** The government may negotiate prices of patented medicines with their manufacturers before allowing pharmaceutical companies to launch them in India. The move, a first of its kind, is also likely to be applied on patented drugs that are already being sold in the country, an official source said.

An inter-ministerial committee, evaluating the mechanism to negotiate prices of patented medicines, has recently sought detailed information about such drugs from the National Pharmaceutical Pricing



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Authority (NPPA), which regulates prices of medicines in the country. This include data on number of patented medicines currently available in India, their market share, prices, disease burden, date of grant of patent and its expiry. The move is significant because it is expected to bring down prices of many medicines mostly used in treatment of life threatening diseases such as cancer, HIV/AIDS and hepatitis C. Presently, patented medicines are outside the ambit of the National Pharmaceutical Pricing Policy, which mandates a price cap on 348 essential medicines.

However, the government is concerned about prices of such medicines mainly because of the high disease burden in these therapeutic categories. Besides, in the absence of generic competition, patented drugs continue to remain expensive. So far, pricing of medicines and their marketing approval are not linked and are being looked at by two separate government departments. While NPPA, under the ministry of chemicals & fertilizers, regulates prices of medicines, the health ministry does quality control and gives marketing approval through Drugs Con-

troller General of India.

Once pricing is linked with marketing approval for patented medicines, it is bound to impact multinational pharmaceutical companies. Companies claim spending billions of dollars on research and development of innovative medicines. A patent period of 20 years allows such innovator companies a monopoly in the market, while the price of the drug remains high in the absence of generic competition.

The move also assumes significance in the light of the upcoming visit of the US President Barack Obama to India. According to sources, intellectual property rights (IPR), particularly in case of medicines, is going to be one of the topics on top of the agenda for talks between the two countries.

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