

# RSS economic arm frowns on high cost of stents

## Backs NPPA's role in checking pharma, device prices

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The high cost of cardiac stents has come in for flak from the Swadeshi Jagran Manch (SJM), the economic wing of the RSS.

The SJM has red-flagged the exorbitant margins that push up stent prices for patients, even as it has supported the National Pharmaceutical Pricing Authority's (NPPA) watchdog role in the pharma and medical devices sectors.

In its letter to Prabhat Jha, Chairman of the Rajya Sabha's Committee on Petitions, the SJM urged the Centre to not discriminate between the cost paid for a stent in a government-run institution and a private hospital.

"As an MP, you would be aware that the CGHS (Central Government Health Scheme) reimbursement rate for these stents is just ₹23,625. We would like to state that there should not be any discrimination between the costs reimbursed to government officials and the prices paid by the public," the RSS thinktank said.

The SJM letter comes at a time when the NPPA has released different formulae to cap the price of cardiac stents.

There is "dichotomy and discrimination" in stent prices,



Prabhat Jha, Chairman of Rajya Sabha's Committee on Petitions

Ashwani Mahajan, SJM co-convenor, told *BusinessLine*, referring to patients who have paid over ₹1 lakh for drug-coated cardiac stents.

One of the NPPA's price-cap suggestions pegs a drug-eluting stent at about ₹67,000. And, though this is almost half the prevailing price, it comes on the back of a margin to the hospital.

"According to the data put out by the NPPA, a ceiling price for drug-eluting stents based on the average of prices to hospitals is ₹67,272. This is in contrast to the ceiling price based on the average landed price with a 35 per cent mark-up, which is only ₹21,881. Based on limited data available with the NPPA, an estimate of the ceiling price arising from the cost of production plus a 35 per cent mark-up is ₹10,699. These data show that the mark-up, on average, from the level of the manufacturer to the level of the hospital is more than 250 per cent and is revealing of

the outrageous overpricing and exploitation in the marketing of drug-eluting stents," said the letter to Jha.

The SJM further opposes suggestions to cap the price on the basis of a simple average of the price offered to hospitals.

"As can be seen through the NPPA's calculations, such a price will not meet the purpose of ensuring affordability. Moreover, the industry-supplied data lacks authenticity and reflects corrupt marketing practices. Such a faulty methodology must not be used in deciding public policy," it said.

### Support for NPPA

In fact, the NPPA itself comes in for some support from the SJM, given that the pricing authority's role was up for discussion at a top-level meeting involving the NITI Aayog.

The meeting sought to evaluate delinking price control from the list of essential medicines and the price regulator (NPPA). And the suggestion was that the NPPA in its present form be "wound up" and "deployed" within the Pharmaceuticals Department with "a new mandate".

Mahajan said dismantling the NPPA runs contrary to the Centre's Jan Aushadhi Yojna, where the effort is to provide affordable medicines to people. "In a democratic set-up, such checks and balances are required," he said.