

'Fixing prices of all essential drugs may be difficult'

JOE C MATHEW
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The National Pharmaceutical Pricing Authority (NPPA), the regulator of medicine prices, has said the attempt to fix the prices of all 354 medicines mentioned in the health ministry's National List of Essential Medicines (NLEM) could be difficult under existing rules.

NPPA was responding to fresh initiatives of the ministry of chemicals and fertilisers, which controls it, to see if all NLEM drugs could be brought under price control. A recent analysis by it showed only eight of the 354 bulk drugs (basic raw material) may qualify for such price control. While 114 drugs got excluded due to the non-availability of exact market size, competition and turnover, most of the remaining ones did not satisfy the conditions under current rules to bring a medicine under price control.

The Drug Policy, 1994, says a medicine should be considered for price regulation only if it has a minimum annual turnover of ₹4 crore or a turnover of ₹1 crore with a 90 per cent monopoly market share. Of the 17 medicines shortlisted by NPPA as candidates for price control, the government already fixes nine.

The move comes after chemicals minister M K Alagiri wanted to see if the "public interest" clause enshrined in the existing drug law could be invoked to put all essential medicines (NLEM) under price control.



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control. NPPA currently fixes the price of 20 per cent of the ₹60,000-crore worth of medicines sold annually. On the remaining 80 per cent, there is a cap of 10 per cent price increase in a year.

Introduction of all 354 NLEM drugs under direct price control would have seen NPPA having a say on the prices of about 17,000 specific packs of medicines, worth approximately ₹7,000 crore.

The analysis, however, indicated that apart from eight drugs manufactured by companies such as Piramal (products are now part of Abbot's portfolio), Zydus Cadila and GlaxoSmithKline, etc, all others products might fail to pass the "inclusion" criteria.

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