

NPPA move fortifies affordable drugs

The government's decision to bring 52 more medicines under the price control mechanism will bring relief to common people who have found it difficult to cope with the rise in prices of many drugs. The decision is being implemented through the National Pharmaceutical Pricing Authority (NPPA) which has been granted the authority to fix the retail prices of essential medicines. The 52 drugs which have been brought under the price regulation mechanism include some medicines used in the treatment of cancer and some skin ailments and also certain kinds of antibiotics and painkillers. Many of these bulk drug formulations are produced by major pharmaceutical companies. The price ceilings ordered in the case of some medicines are in fact applicable only to a few specific companies. It has long been noticed that the same medicines produced by different companies have had a wide variation in prices. This could only be because some companies want to overcharge the buyers and earn unreasonable profits.

Three months ago the NPPA had fixed the upper limit for prices of 32 drug formulations. Before that, it had also ordered the capping of the prices of some important medicines used in the treatment of diabetes and cardiovascular

diseases. This had created a controversy and was challenged by drug companies in courts. The objection was on the ground that these drugs were not on the list of essential medicines and so the NPPA had no authority to control their prices. However, legal experts and consumer organisations have pointed out that the law has given the NPPA the power to fix and revise the prices of any drug in public interest in extraordinary circumstances. The decision to extend the price control to more medicines now shows that it has again acted in the interest of patients. With the latest decision, a total of more than 450 formulations have come under the price control mechanism of the drug price regulator.

It is the responsibility of the government and the regulator to ensure that medicines are available to patients at reasonable prices. The need to ensure that drug companies sell the medicines at non-exploitative prices and the power to enforce the pricing decisions flow from this responsibility. The Drug Price Control Order envisages such a scheme. The right to life and health become meaningful only when medical treatment and medicines, at least for common ailments, are affordable to common people. Therefore drug prices cannot be left entirely to the market and they call for regulatory intervention at times in the interest of patients.

