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## Pharma dept seeks view of law ministry on pricing cuts

The department of pharmaceuticals (DoP) is learnt to have sought the law ministry's opinion on the latest price cuts implemented by the National Pharmaceutical Pricing Authority (NPPA), using a rare provision in favour of public interest.

Last week, the pricing authority issued notifications slashing prices of around 50 cardiovascular and anti-diabetes medicines by up to 35 per cent under Para 19 of Drugs Price Control Order, 2013, which allows NPPA to slash prices of medicines in "extraordinary" situation in public interest. Similar price cuts are also expected soon in six other therapeutic categories, including anti-cancer drugs, anti-retrovirals, vaccines and medicines used in treatment of asthma, tuberculosis and malaria.

The move has created a stir in the pharmaceutical industry, which is already facing pressure on revenues due to price caps on 348 essential medicines.

The DoP's move comes in the wake of the industry seeking government intervention in the matter, which companies feel amounts to "modifying" the National Pharmaceutical Pricing Policy (NPPP) determining drug price regulations in the country. The pricing policy, which was pending for over nearly 10 years and was finally cleared by the previous government in December 2012, aims at regulating prices of 348 medicines by capping their prices at an average of all medicines in a particular segment with a minimum market share of one per cent.

The regulator has now stretched its hands beyond these 348 medicines to bring more drugs under price control citing "inter-brand" price difference in a particular segment and various other reasons such as disease intensity and widespread usage of drugs such as anti-diabetic and cardiovascular.

On the other hand, the industry argues the disease environment was same when the government had cleared the policy and no "extraordinary circumstance" has emerged since then for the regulator to invoke Para 19 in public interest.

"We do not find that such extraordinary circumstances have risen since the promulgation of the DPCO 2013 to warrant their move," Indian Pharmaceutical Alliance, which represents domestic drug majors such as Lupin, Sun Pharma and others, wrote in its letter addressed to DoP Secretary Aradhana Jha.

Sources said top representatives from other pharma industry organisations such as Organisation of Pharmaceutical Producers of India, which represents multinational drug makers in the country, also met senior officials in the department on Tuesday.

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Govt/Pricing.