

Govt. forms committee to review drug pricing policy

NEW DELHI: The government has formed an inter-ministerial committee to review the Drug Price Control Order (DPCO) 2013, following the Supreme Court verdict this year that termed the drug pricing policy as irrational and unreasonable.

According to sources, the committee will look into the drug pricing mechanism as there have been complaints that the companies are making significant profits which go up to few thousand per cent.

In July this year, while hearing the petition of NGO All India Drug Action Network,

The committee will look into the pricing of medicines, and specifically in the market based pricing formula

the Supreme Court had observed that the Centre was fixing maximum price of a medicine above the retail price of the leading company.

"You (Centre) are fixing the maximum price of a medicine above the retail price of the leading company of the same

drug. It is absurd," the bench had observed during the hearing.

One of the five issues to be considered by the government relates to NGO's plea that MBP (Market Based Pricing) was never used for any price regulatory purposes and under the new policy, simple average ceiling prices were, in many cases, higher than the market leader price.

"An inter-ministerial committee comprising representatives from DIPP, Ministry of Health, National Pharmaceutical Pricing Authority (NPPA) and Department of Pharmaceuticals have been formed following the Supreme Court orders to look into the pricing of drugs," a source told PTI.

The committee will look into the pricing of medicines, and specifically in the market based pricing formula which is being used at present under DPCO 2013, the source added.

The NGO had in a petition also alleged that the market based pricing was never used for any price regulatory purposes and this was making medicines costlier.

The NGO had also sought inclusion of more life-saving medicines of diseases such as diabetes and tuberculosis in the list of drugs whose prices would be regulated by the government.

As stipulated under DPCO 2013, drug price regulator NPPA fixes the ceiling price of essential medicines of schedule-I.

So far, the authority has fixed the ceiling price of 530 formulations from the list. And no one is authorised to sell any scheduled medicine to a consumer at a price higher than the one notified by NPPA under the order.

While fixing the ceiling price, 16 per cent margin is allowed for retailers. —PTI

Pricing.