PRESS INFORMATION BUREAU पत्र सूचना कार्यालय **GOVERNMENT OF INDIA** मारत सरकार

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rice cap relief for drug makers

bring many more drugs under price control NPPA withdraws guidelines that reduced prices of 108 medicines; goes back on move to

BS REPORTER

New Delhi, 23 September

price control. to bring many more under clause, based on which it guidelines issued in May, had reduced the prices of invoking a public interest ar segment and promised diabetes and cardiovascu-108 medicines in the antihas withdrawn a set of he National Pharm-Authority (NPPA) aceutical Pricing

remain, as NPPA has withby the regulator in July drawn the guidelines and the price ceilings imposed ment on Friday. However, directive from the govern-The move followed a

of pharmaceuticals, under not the order. the ministry of chemicals government's department Official sources said the

Price Control Order, 2013

this empowered it to

Paragraph 19 in the Drugs

price of medicines order a reduction in the

E

profit margins of major

REVISITING THE NORMS

NPPA had reduced prices of 108 bring many more under price control cardiovascular segment and promised to medicine packs in anti-diabetes and

- Currently, 348 essential medicines are directly under price control
- NPPA at the average of all medicines in a Prices of all these medicines are capped by
- per cent market share particular segment with more than one

For others, firms are free to price medicines

control. NPPA had invoked otherwise outside price of prices of drugs that were on the regulator's capping the law ministry's opinion and fertilizer, had sought stances in the public istry suggested the gov-"extraordinary" circuminterest. It appears the law min-

ernment withdraw the power delegated to NPPA under this clause. The July pricing order

was seen as impacting the

drug makers. Both domesalready approached diftic and multinational drug the price cap order. ferent high vourts against manufacturers / have

clause, raised concern NPPA had, beside invoking the Para 19 ferences in the market. It over large inter-brand dif-

raising of prices in any

year.

said this indicated "severe perceived gap, it identified market failure". To fill this expensive was more than 25 per cent said if the price of any eight therapeutic areas among the regulated prodhigher than the most drug in these categories with disease intensity and ucts, then the price of such drugs would be capped by medicine

one per cent market share. panies are free to price segment with more than of these are capped by For all other drugs, commedicines in a particular NPPA at the average of all under price control. Prices medicines are directly there is a restriction on the their products, though NPPA. Currently, 348 essential