

# Patients undergoing chronic therapies will save money, thanks to fixed prices

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Mumbai: In a rare invocation of a lesser-used provision in the Drug Price Control Order (DPCO), the NPPA has fixed the prices of 108 formulation packs of 50 anti-diabetic and cardiovascular medicines. What makes the development significant is that the NPPA has fixed prices of those medicines which are not listed under the national list of essential medicines (NLEM). The move will mean savings for patients prescribed expensive chronic therapies.

With this list, the total market of chronic medicines under price control now stands at 58%, while 21% of the anti-diabetic market comes under the purview. Around Rs 5,500 crore of the pharma market will be impacted, with the range of prices being reduced from 10-15% to as high as 35%, the average reduction being around 12%.

The provision, Paragraph 19 of DPCO, 2013, authorizes the NPPA "in extraordinary circumstances, if it considers necessary so to do in public interest, fix the ceiling price or retail price of any drug for such period as it deems fit".

The notification to fix prices of these medicines, which are non-scheduled formulations, was issued on July 10: "...wherever the maximum retail price (MRP) of the brand of a particular formulation exceeds 25% of the simple average price, the same will be capped at the 25% level".

Simply put, if the price of a drug brand exceeds the simple average price in that therapy group by 25%, or the price at which a new drug is launched for the first time is higher than the most expensive brand exist-

## HOW NEW REGIME WILL PINCH PHARMA

COS THAT WILL FEEL THE IMPACT				TOP BRANDS IN AFFECTED CATEGORIES			
Co	Value (MRP)	Value loss (MRP)	% Loss	Brand	Company	Molecule	Therapy
Sanofi India	397	139	35	Telma	Glenmark	Telmisartan	Cardiac
Astrazeneca	99	29	29	Januvia	MSD	Sitagliptin	Anti-diabetic
Merck	67	16	24	Minipress XL	Pfizer	Prazosin	Cardiac
Zydus Cadila	211	40	19	Cardace	Sanofi India	Ramipril	Cardiac
Abbott	257	38	15	Nitrocontin	Modi Mundi	Glyceril Trinitrate	Cardiac
Ranbaxy	280	38	13	Nikoran	Torrent	Nicorandil	Cardiac
Pfizer	-	10	9	Cardace	Sanofi India	Ramipril	Cardiac
Cipla	219	19	9	Clexane	Sanofi India	Enoxaparin	Cardiac
Lupin	401	32	8	Voglibose	Ranbaxy	Rosuvastatin	Cardiac
Dr Reddy's	174	14	8	Atorva	Zydus Cadila	Atorvastatin	Cardiac
Torrent	356	27	8	Clexane	Sanofi India	Enoxaparin	Cardiac
Glenmark	271	18	7	Istavel	Sun Pharma	Sitagliptin	Anti-diabetic
Sun Pharma	449	25	5	Aten	Zydus Cadila	Atenolol	Cardiac
New DPCO** Mkt Value	5,484	641	11	Rosuv	Ranbaxy	Rosuvastatin	Cardiac
				Volibo	Sun Pharma	Voglibose	Anti-diabetic

\*Moving annual total value in Rs cr for affected categories;  
\*\*New Drug Price Control Order; Source: AIOCD AWACS

ing in the group, the NPPA would initiate the process of fixing a price cap.

The move which surprised the pharma industry has "shaken its confidence" and it is "examining all options". When contacted, industry body Indian Pharma Alliance's secretary general D G Shah said the NPPA has "gone beyond essentiality as a criterion, and into policy-making and price fixation, making the NLEM redundant".

According to the notification, the NPPA has also acted on drugs where there is a "huge inter-brand price difference in branded-generics/off-patent drugs, which is indicative of a severe market failure, as different brands of the same drug formulation, including the off-patent drug, which

are identical to each other in terms of active ingredient(s), strength, dosage, route of administration, quality, product characteristics, and intended use, vary disproportionately in terms of price".

"And whereas market failure alone may not constitute sufficient grounds for government intervention, but when such failure is considered in the context of the essential role that pharmaceuticals play in the area of public health, which is a social right, such intervention becomes necessary, especially when exploitative pricing makes medicines unaffordable and beyond the reach of most and also puts huge financial burden in terms of out-of-pocket expenditure on healthcare", the notification says.

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