

## Revised list may see price control on 50% of domestic drugs

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In a move that could bring more than half the country's ₹65,000-crore medicine market under price control, the health ministry plans to enlarge the scope and size of the National List of Essential Medicines (NLEM).

The eight-member expert committee, which is in charge of revising NLEM, plans inclusion of new drugs to the list and also do away with the current practice of including only specific strengths of medicines in NLEM.

The committee was considering inclusion of all strengths and dosage forms of the medicines which would come under the definition of NLEM, official sources said.

The drugs in NLEM are supposed to be essential, hence a recommended stock in all public medical centres across the country.

Though the health ministry move is not intended at controlling the prices of these medicines, the list is expected to become the basic criteria for selection of drugs for price control by the Department of Pharmaceuticals under the Ministry of Chemicals and Fertilisers in future.

The National Pharmaceutical Pricing Authority (NPPA) is the medicine price regulator that functions within the

administrative control of the Ministry of Chemicals and Fertilisers.

Following a Supreme Court directive to include all NLEM drugs under price control, the central government is working out a new policy incorporating such changes. While the current NLEM list, prepared in 2003, does not have too many drugs to be included in the price control list, the revision will bring about a significant change.

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According to health ministry officials, the NLEM revision committee will look at this aspect in its meeting scheduled early next month.

"There is a Supreme Court

directive to see that no essential medicine goes out of price control. However, such directives are often manageable if companies are allowed to tweak the strength and technically turn the medicine non-NLEM," a senior government official said.

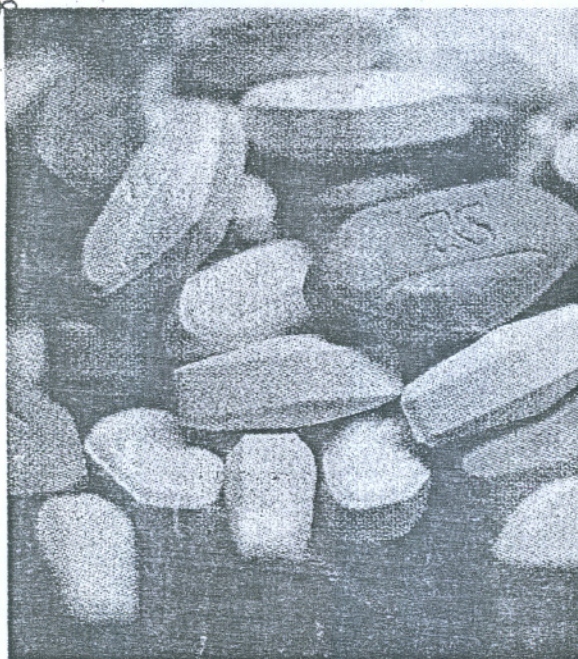
According to an industry expert, the government currently controls the prices of about 20 per cent of the domestic drug market. The span of price control will go up to 35 per cent once the drugs mentioned in the current NLEM gets included.

"We were expecting that the revision of NLEM will result in a price control on about 40 per cent of the medicines sold in the country. But the current plan to include all strengths of shortlisted medicines will make this much bigger, over 50 per cent," the expert said.

NLEM currently has 354 medicines, broadly categorised within 27 therapeutic categories such as ophthalmological preparations, cardiovascular medicines, immunologicals, anti-allergic and others.

NLEM, first formulated in 1996, was modelled on the World Health Organization essential medicines list. It was later revised once in 2003 to accommodate 71 new medicines. Three medicines were dropped from the list as well.

The government now plans to revise NLEM every two years.



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