

Provision of free of cost cancer drugs

†3093. SHRI PRABHAT JHA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether Government has any scheme to provide cancer drugs for free by opening a 'Jan Aushadhi Kendra' in every hospital of the country;
- (b) if so, the status of progress made in this direction so far;
- (c) whether the domestic pharmaceutical industry and businessmen have agreed to Government's proposal to reduce the trade margin on non-price control drugs and as a result of this the prices of a significant number of cancer drugs have reduced; and
- (d) if so, the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI D.V. SADANANDA GOWDA): (a) and (b) There is no such scheme to provide cancer drugs free through Jan Aushadhi Kendras. However, the Department has a scheme namely Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) through which quality generic medicines are being made available at affordable prices through dedicated outlets known as Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJK). At present 38 cancer drugs are available in the product basket of PMBJP.

(c) and (d) The National Pharmaceutical Pricing Authority (NPPA), *vide* order S.O. 1041(E) dated 27th February, 2019 put a cap on Trade Margin of 42 selected non-scheduled anti-cancer medicines under 'Trade Margin Rationalisation' approach. By this approach, the Maximum Retail Price (MRP) of 526 brands of these medicines have effected reduction by upto 90%. This move will result in an estimated annual savings of around ` 984 crore to the patients. The details of revised prices are available on NPPA website *i.e.* www.nppaindia.nic.in.

Controlling of prices of patented medicines

3094. SHRI RAJMANI PATEL:

DR. AMEE YAJNIK:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

†Original notice of the question was received in Hindi.

- (a) whether Government has evolved any mechanism to control prices of exorbitantly priced patented medicines to make them more affordable;
- (b) if so, the details thereof;
- (c) the difference between the reference pricing system and the negotiated pricing model; and
- (d) the steps taken by Government in the matter?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI D.V. SADANANDA GOWDA): (a) and (b) The National Pharmaceutical Pricing Authority (NPPA) fixes the ceiling price of scheduled medicines specified in the National List of Essential Medicines (NLEM) as included in the Schedule-I of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). If any medicine (patented or non-patented) finds a place in the National List of Essential Medicines (NLEM), and therefore becomes part of the Schedule-I of DPCO, 2013, it comes under the purview of price control. Annual price rise of non-scheduled patented drugs is limited to 10% of the previous year's price, as is the case for other non-scheduled formulations under the DPCO, 2013.

(c) Reference pricing, in general, means that a reference price is allocated to a medicine included in a therapeutic category of medicine, considered equivalent on the basis of safety, efficacy and outcome. Price of a medicine in a therapeutic group is compared to the lowest or the average in that therapeutic group. When this is done only with reference to the products in that country, it is referred to as internal reference pricing.

On the other hand, in external reference pricing, price of medicine of one therapeutic group is compared with the price of the same medicine or therapeutic equivalents in similarly placed countries. Very often, under this principle, price of medicines is fixed at the average or medium or lowest of the price of the reference countries. However, on account of the differences in strength, pack size, dosage form etc. in different countries, and difference in the rates of margins at the level of the stockist, wholesaler, retailer and other parties in the supply chain, there can be differences in the prices of medicines across different countries. Nevertheless, a scientific analysis based on the income levels and the purchasing power parity of different countries will enable setting of prices for these medicines at levels which are reasonably affordable from the public health perspective.

In the negotiated pricing model, the negotiations are based on a set of criteria including product therapeutic value and price of similar products within the same therapeutic group. The average price is also considered as a base value at the negotiation table.

(d) The details of medicines under price control are as given below:—

- (i) There were 348 medicines in the National List of Essential Medicines 2011 (NLEM) which were included in the First Schedule of the DPCO, 2013. The NPPA fixed the ceiling prices of 530 scheduled formulations of such medicines based on market based pricing methodology.
- (ii) Schedule-I of the DPCO, 2013 was amended by adopting NLEM, 2015 consisting of 377 medicines. The NPPA has fixed the ceiling prices of 866 scheduled formulations of medicines under the NLEM, 2015. The details of price fixed are available on the NPPA's website www.nppaindia.nic.in.
- (iii) NPPA has also fixed the retail price of 1250 new drugs under the DPCO, 2013 till date.
- (iv) NPPA fixed prices of 106 Anti-diabetic and Cardiovascular drugs under Para 19 of the DPCO, 2013 in Public interest.
- (v) NPPA has fixed ceiling price of Cardiac Stents being scheduled formulation under the DPCO, 2013 affecting price reduction for Coronary Stents worked out up to 85% for Bare Metal Stents and 74% for Drug Eluting Stents.
- (vi) NPPA has fixed ceiling price of Orthopedic Knee Implants under Para 19 of the DPCO, 2013 in Public interest affecting price reduction for orthopedic Knee Implants worked out up to 69%.
- (vii) NPPA capped the Trade Margin of non-scheduled formulations of 42 Anti-cancer medicines under "Trade Margin Rationalization" approach as a Pilot for proof of concept, wherein prices of more than 500 brands of medicines were reduced upto 90%.

The fixation of prices has resulted in a total saving of ₹ 12,447 crores per annum to the public after implementation of the DPCO, 2013.