

Drug prices being monitored: Health ministry

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The Department of Pharmaceuticals in the Ministry of Chemicals & Fertilizers has notified the Drugs (Prices Control) Order, 2013 {DPCO, 2013} on 15th May, 2013 in supersession of DPCO, 1995. There is a change in the methodology of pricing of drugs, moving from 'cost based pricing' to 'market based pricing'. There are 348 medicines (652 formulations) with specified dosage and strength in the National list of Essential Medicines, 2011 (NLEM) which have been included in the first schedule of DPCO, 2013 and brought under price control. Out of total NLEM drugs, National Pharmaceutical Pricing Authority (NPPA) has already notified the ceiling process in respect of 404 formulations up to January, 2014 under the provision of the said order.

In respect of drugs not covered under the Drugs (Prices Control) Order, 2013 i.e. non-scheduled drugs, manufactures fix the prices themselves without seeking the approval of Government. However, DPCO, 2013 provides for monitoring the maximum retail price (MRP) of these non-scheduled formulations that no manufacturer can increase the MRP of a non-scheduled medicine more than 10% of MRP during preceding 12 months. The Government has not studied the cost of scheduled medicines under DPCO, 2013.

The government is not planning to shift the National Pharmaceutical Pricing Authority (NPPA) to the Union Health Ministry.

This was stated by Mr Ghulam Nabi Azad, Union Minister for Health and Family Welfare in a written reply to the Rajya Sabha on February 11, 2014.