

Government sets its mind to reduce prices of medical devices

25 November 2015 | News | By BioSpectrum Bureau

Government sets its mind to reduce prices of medical devices



Department of Pharmaceuticals (DoP) and Health Ministry Official's meet medical device importers, manufacturers and representatives of Association of Indian Medical Device Industry (AIMED) to discuss the pricing of cardiac stents, pacemaker and implants.

Association of Indian Medical Device Industry (AIMED) urged the DoP to move in quickly to curb this malpractice and put in place a transparent and stringent MRP regime for imported goods so that average Indian consumers are not fleeced and retail price parity between domestically produced medical devices and imported products are made competitive based on a transparent labelling mechanism on display of the Maximum Retail Price inclusive of taxes (MRP), which is mandatory in India.

At a meeting called by Secretary DOP where representatives of NHSRC, Ministry Of Health , CDSCO and NPPA were present along AIMED, some domestic Indian manufacturers and few implant importers were there in the meeting

- 1- Dept of Pharmaceuticals(DOP) had earlier requested Implant importers and manufactures to consider to self regulate and bring down their MRP by 40-50 percent.
- 2- The importers expressed their inability to make this change.
- 3- The Govt directed all importers and manufacturers to submit their MRP to NPPA (National Pharmaceutical Pricing Authority) by 30 November and to ensure all unit packs of medical devices carry the MRP - not only the shelf boxes.
- 4- NPPA will thereafter define the price cap on these Implants to address the huge price disparity and to ensure the devices remain affordable and accessible to the common man.
- 5- The AIMED representatives cautioned the Government of the malpractice prevalent in trade of putting removable stickers with MRP on shelf packs / unit packs and being substituted by traders and the need to ensure preprinted prices on unit packs.

According to Mr Rajiv Nath, forum coordinator, AIMED, "The malpractice of arbitrary MRP labeling is widely prevalent and the situation is serious enough to warrant immediate government's intervention to rectify the situation. Government has a duty to

protect the Indian patients from undue enrichment by unscrupulous traders and manufacturers whereby retail prices go up when ex factory prices are going down and to ensure that there is level playing field between domestically produced medical goods and imported ones. We are very positive that DoP and Health Ministry will definitely help the industry and the consumers to come out of this serious issue and we have already got positive signals after meeting with the department which held recently."

Explaining how price distortion sets in due to flawed or non-existent MRP guidelines and even a more lax implementation of Indian laws regarding this, Mr Bejon Mishra a consumer activist from the organisation , Partnership for Safe Medicine explained that imported medical devices like many other items are imported in bulk and the duty is also paid on bulk and importers claim these are not consumer goods but for hospital use. The government and customs must ensure that all individually packed units for sale of any medical device - big or small even if X-Ray machine, should have the MRP preprinted on the unit pack , there needs to be an import tax of at least one percent on this MRP and the bill of entry and invoice should have the transaction price per unit as well as the MRP per unit to ensure no malpractices of switching of labels post import. Currently importers pay tax on transaction invoice value and not on basis of the MRP.