

The 'Trump' card

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There is a blatant contradiction. On one hand, US President Donald Trump recently expressed concern over the prices of prescription drugs going out of control, describing the trend as the “drug companies getting away with murder.” On the other hand, just prior to that his administration wanted freedom for US medical devices companies to take the prices out of control in India.

Pricing of drugs and medical devices is always a matter of concern as it is connected with human sufferings and loss of life. On the other side are the profits of the pharma and device manufacturing companies, which spend a lot of funding as well as time on research & innovation, trials, approvals before bringing the product to the market.

But who is to be blamed for the high drug prices in US? According to the Harvard Medical School research, the “most important factor” that drives prices higher than anywhere else in the world is the existence of government protected “monopoly” rights for drug producers, preventing generics from coming to market at reduced price.

So, the action is required from Trump only when he says that the drug prices have “gone through the roof.” Trump’s statement has a support from a recent study done only about the cancer drug prices.

The joint study by Ben-Gurion University of the Negev (BGU), Rabin Medical Center and Tel Aviv University in Israel, as well as Emory University in Atlanta published in the Journal of Clinical Oncology is the “first one that systematically investigates oncology drug price changes with time and the correlation to the market structure.” It studies the monthly trajectories of 24 US FDA approved cancer drugs calculated with the cumulative and annual drug cost changes for each drug. It was found that after a follow up period of 12 years, the mean cumulative cost increase was 37%. Prices of one type of Leukemia drugs increased by 85% and that of another type by 95%. In case of breast cancer drug the prices jumped by 78%. Only the metastatic colorectal cancer drug prices have decreased with time.

The prices have increased regardless of competition or supplemental indications. The study has felt that there is a need of new regulations to prevent additional increase in drug costs after launch.

This is what exactly Indian government is doing in case of coronary stents and knee implants by slashing the prices up to 75% to make them affordable in order to provide relief to needy patients and stop illegal profiteering, which in some cases was exceeding 400%. The government has clearly announced its policy of providing affordable healthcare taking precedence over the interests of companies.

But, it is an irony that the same Trump administration that is worried over the drug prices in US has asked Indian government not to extend its price control on more medical devices. With an obvious intention to protect the interests of US companies, the US administration has also asked the Indian government to permit the device companies to withdraw their products if they are unwilling to sell them at the government controlled price. India controlling the device prices is a principal concern for US, so much so that earlier in May even a group of US Congressmen had urged India to reconsider its decision of price control.

All India Drug Action Network (AIDAN), an NGO has urged the Indian government to reject the US demand and in fact extend the price control to 20 more devices as access to affordable healthcare is non-negotiable. Indian government needs to take a serious view of the US dictate and strongly oppose the suggestion from the US administration. It can use the Trump's statement about prices of drugs in US itself as the "Trump" card opposing US' moves to try to de-control the prices of medical devices in India in the interest of the manufacturing companies. As US president wants to provide relief to the country's citizens, so does the Indian government to its citizens.