

Steps taken by the Government to bring transparency in fixing prices of essential medicines

Ministry of Chemicals and Fertilizers

Steps taken by the Government to bring transparency in fixing prices of essential medicines**Rs. 827.25 crore recovered from pharmaceutical companies in overcharging cases till February 2018: Shri Mansukh L. Mandaviya**

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Minister of State for Ministry of Road Transport and Highways, Shipping and Chemicals and Fertilizers, Shri Mansukh L. Mandaviya, while giving a written reply to a question in Lok Sabha today on steps taken/being taken by the Government to bring transparency in fixing prices of essential/lifesaving medicines across the country, informed that the National Pharmaceutical Pricing Authority (NPPA) fixes the prices of Scheduled medicines and new drugs as per the provisions of Drugs (Prices Control) Order, 2013 (DPCO, 2013).

The Minister said that the NPPA monitors the prices of medicines fixed by the manufacturers and issues notices for the violation of the prices. It verifies the prices of medicines randomly from the respective websites of the drug manufacturing companies and wherever any violation is found, action is taken as per the provisions of DPCO, 2013. This is an ongoing process. The details of demand notices issued in the last three years are as follows:

Year	Number of cases	Demanded Amount (Figure in Crores)
2014-15	129	581.08
2015-16	264	931.18
2016-17	138	334.00
2017-18	217	704.48

The Minister further informed that in order to have transparency, a draft version of the Price Calculation Sheets for the proposed revised price notifications, including wherever applicable, the Price to Retailer (PTR) and Moving Annual Turnover (MAT) values adopted for calculations, is uploaded on the website of NPPA for 10 clear working days to invite comments from the affected pharmaceutical firms. Only after taking into account the comments or any additional data thus received within the given time period, the NPPA finalizes the ceiling and the retail Prices. Thus the entire procedure of price fixation is available in the public domain which ensures transparency and accountability of the whole process.

Shri Mandaviya, while giving a written reply to a separate question in Lok Sabha today on action taken by the Government to check overcharging by pharmaceutical companies, informed that

since inception of NPPA till February 2018, 1763 demand notices (including suo-moto deposits) have been issued to pharmaceutical companies for their having overcharged patients on the sale of formulations at prices above the ceiling price notified by NPPA. Amount to the tune of Rs. 827.25 crore has been recovered from the companies to the Government in overcharging cases. The detailed list of overcharging cases where demand notices have been issued is available on NPPA website www.nppaindia.nic.in, Shri Mandaviya added.

PP/VM

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