

May 10 2015 : The Times of India (Kolkata)
TB, diabetes drugs to get cheaper

The drug price regulator has capped prices of 30 medicines, including antibiotics and those used in treatment of diabetes, tuberculosis and malaria. The move is expected to bring down prices of most of the medicines by 25-30%. However, in some cases the reduction could be as much as 50%.

The National Pharmaceutical Pricing Authority (NPPA), which has the mandate to regulate prices of essential medicines, recently notified the new price ceilings.

The regulator has fixed the cap after arriving at the average price being charged by medicines in a particular segment, which have a minimum 1% market share.

Drug prices have seen significant reduction in the past year since the new government took over at the Centre. Though the regulator approved a hike of 3.8% in prices of essential medicines based on Wholesale Price Index in April, prices in general have not increased.

In its latest order, the NPPA has also said if any medicine is priced lower than the ceiling fixed by the regulator, then companies selling such drugs should maintain the existing or lower retail price.

The regulator also mandates that in case of launch of new variants of these medicines, with different packaging, dosage or strength, companies selling them will have to seek prior government approval. The idea is to ensure that companies do not tweak medicine composition or packaging to circumvent price control.

The regulations also prohibit pharmaceutical companies from discontinuing or reducing production of these medicines. If any company wants to do so, it will have to seek six months prior approval from the NPPA, the official order said.

These norms are aimed at safeguarding consumers' interests, an official said. The NPPA directly regulates prices of 348 formulations. Though the pricing authority keeps tabs on all other drug prices as well, it allows a 10% annual hike on all such drugs, beyond which companies are required to seek its permission.

The government is now also planning to review the National List of Essential Medicines, based on which price regulation is decided.