

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:4211

ANSWERED ON:21.12.2005

AVAILABILITY OF LIFE SAVING DRUGS

Kaushal Shri Raghuvir Singh;Yadav Shri Ram Kripal

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether the Government proposes to ensure availability of life saving drugs at reasonable prices in the country ;
- (b) if so, the details thereof ;
- (c) whether the Government has accepted the recommendations of the high level task force constituted in this regard ;
- (d) if so, the details thereof;
- (e) whether there is any controversy between the Ministry of Chemicals and Fertilizers and the Ministry of Health and Family Welfare on the issue of controlling the price of life saving drugs;
- (f) if so, the details thereof;
- (g) whether the Government is contemplating to constitute a regulatory body to ensure availability of drugs at regulated prices and to determine and control/supervise the quality of such drugs; and
- (h) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH & FAMILY WELFARE (SMT. PANABAKA LAKSHMI)

(a) to (h): As per the present Pharma Policy, the 74 bulk drugs specified in the First Schedule of the Drugs (Price Control), order 1995 (DPCO,95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO,95.

Prices of non-schedule formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, production innovation, product quality etc. The NPPA monitors the prices of medicines as per monthly Retail Audit Reports of ORG-IMS Research Pvt. Ltd. The Government takes corrective measures where the public interest is found to be adversely affected.

A Task force under the Chairmanship of Dr. Pronab Sen, Principal Adviser, Planning Commission was constituted to explore options other than price control to make available life saving drugs at reasonable prices. The task force has submitted its report to the Government on the 20th September, 2005. Some of the salient recommendations of Task force regarding the price management are that Price Controls should be imposed on the basis of the `essentiality` of the drug and not on the basis of turnover and it should be applied only to formulations and not to bulk drugs, to promote generic drugs, to establish price negotiation process for new patented drugs, to streamline the bulk procurement regime, to exempt the excise duty, customs duty and other levies on cancer and anti HIV/AIDS drugs, to reduce the excise duty on drugs from 16 to 8%, to enhance the exemption limit of SSI units from Rs. 1 crores to Rs. 5 crores. The Govt., in consultation with other stakeholders, is examining the recommendations of the task force.

There is no controversy between the Ministry of Chemicals and fertilizers and the Ministry of Health and Family Welfare on the issue of controlling the prices of life saving drugs.

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