Cheaper Cancer Medicines

PIB Analysis

What the New Margin Cap Means for Patients

- On 17 October 2026, the National Pharmaceutical Pricing Authority (NPPA) capped trade margins on **137 non-scheduled anti-cancer medicines at 30% of MRP**.
- Revised prices came into effect on 9 November 2026.
- As of 9 November, 85 companies reported revised MRPs for 121 drugs, with maximum price reduction of 96.45% and estimated annual savings of **₹3,541 crore**.
- More than 650 formulations recorded over 50% MRP reduction.

What is a Trade Margin?

- Trade margin is the difference between the manufacturer's price to stockists/istributors and the medicine's Maximum Retail Price (MRP), excluding GST.
- Excessive margins increase medicine prices and patients' out-of-pocket expenditure.
- The new order caps trade margins at 30% of MRP, calculated using average distributor prices of March 2026.



How Are Medicine Prices Regulated?



Under the **Drugs (Prices Control) Order (DPCO), 2013**, issued under the Essential Commodities Act:

- **Scheduled Medicines:** Included in the National List of Essential Medicines (NLEM); government fixes ceiling prices. NLEM 2022 contains 388 medicines, including 63 anti-cancer drugs.
- **Non-Scheduled Medicines:** Manufacturers can increase MRP by a maximum of 10% within 12 months under Paragraph 20 of DPCO.

National List of Essential Medicines (NLEM):

- First introduced in 1996 and revised in 2003, 2011, 2015 and 2022.
- Identifies essential medicines to improve affordability, quality healthcare and public procurement.

Legal Basis – Paragraph 19 of DPCO, 2013:

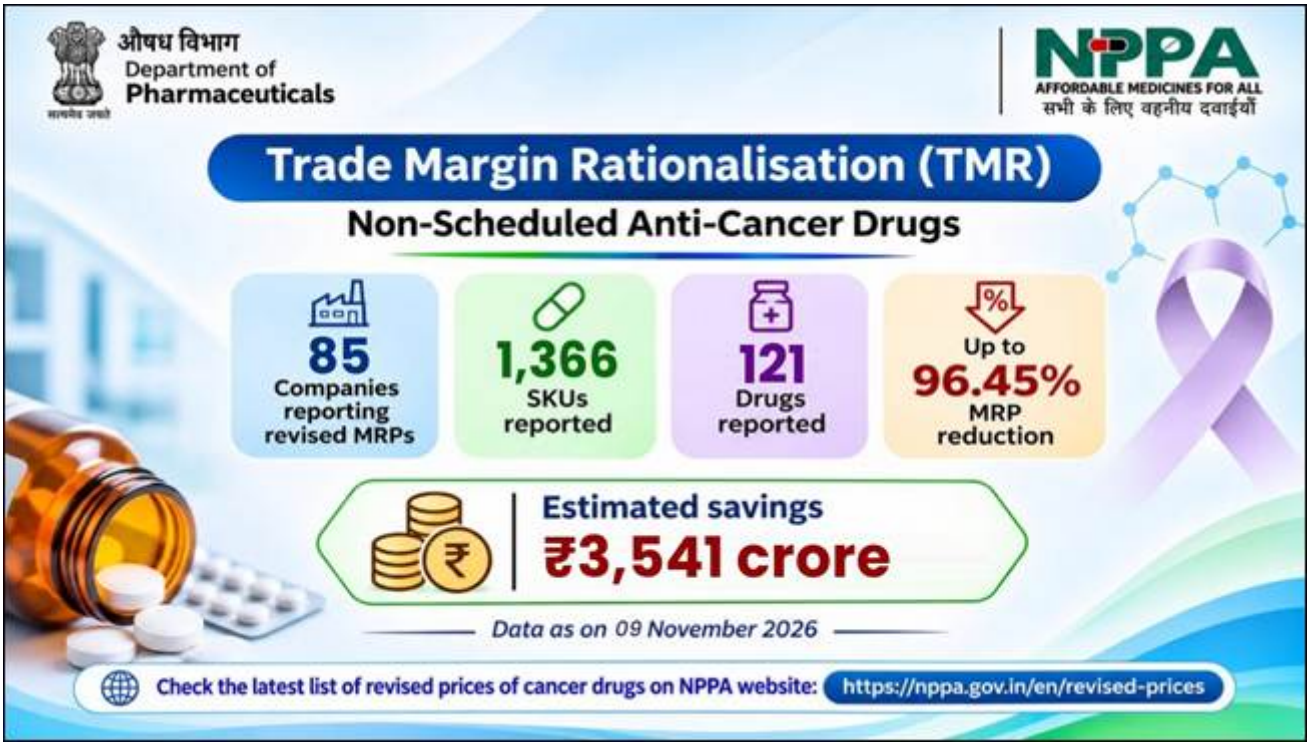
- Empowers the government to fix or revise drug prices in extraordinary circumstances in public interest.
- The 2026 order builds on the 2019 Trade Margin Rationalisation initiative covering 42 anti-cancer drugs.

How the New Order Limits Trade Margins

- Caps trade margins at **30% of MRP** for 137 non-scheduled anti-cancer medicines, including patented drugs.
- Covers different doses, formulations and combinations.
- Revised MRP is calculated using March 2026 average distributor prices, with GST added separately.

What Changes for Patients and Companies?

- Companies must revise MRPs and notify NPPA, retailers and hospitals.
- Hospitals and pharmacies must display revised prices.
- Medicines already priced below the new ceiling cannot become costlier.
- Companies cannot discontinue production without six months' notice.
- Overcharging attracts recovery of excess amounts with interest.
- Revised prices can be checked through NPPA and the Pharma Sahi Daam app.



Wider Government Support for Cancer Care

A. Cashless Hospital Treatment

- **AB-PMJAY:** Provides ₹5 lakh annual health coverage per eligible family, including senior citizens aged 70 and above.
- Covers medical, surgical and radiation oncology procedures.

B. Cancer Screening and Infrastructure

- **NP-NCD:** Strengthens screening, early diagnosis and treatment infrastructure.
- 524 Day Care Cancer Centres established.
- 19 State Cancer Institutes and 20 Tertiary Care Cancer Centres approved.
- Ayushman Arogya Mandirs provide oral, breast and cervical cancer screening.

C. Free HPV Vaccination

- Nationwide HPV vaccination campaign launched on 28 February 2026 for approximately 1.2 crore eligible 14-year-old girls.
- Over 80 lakh doses administered by September 2026.

D. Affordable Medicines

- **Jan Aushadhi Kendras:** Provide affordable generic medicines, including cancer drugs.
- **AMRIT:** Offers medicines and healthcare products at discounts of up to an average of 50% on MRP.

E. Teleconsultation

eSanjeevani: Provides remote specialist consultations, including oncology services.

Conclusion

The 30% trade margin cap strengthens pharmaceutical price regulation and reduces patients' out-of-pocket expenditure.

Combined with affordable medicines, screening, vaccination and cashless treatment, it advances **equitable and accessible healthcare under the vision of affordable healthcare for all.**

Reference

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