# Concerns with pharma price controls

## What is the issue?

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- Union Government is attempting to make the prices of essential medicines affordable.
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- But actually price curbs deters producers and turns a burden to the patients.
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## What are the steps in this regard?

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- The government had extended the scope of essential medicines by bringing a larger number of them under price control list.
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- It also imposed a cap on the prices of medical implants; first coronary stents and then knee implants.
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- On the drugs front, the government made it mandatory for doctors to prescribe medicines using generic names.
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- Now it is considering limiting the number of brands of a drug a company can manufacture and also ending contract.
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## What are the concerns with these?

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- Government's measures on price control is driving some foreign manufacturers of implants to withdraw some products from the Indian market.
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- The government refused the withdrawal permission for six months and extending it further.
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- An US pharma manufacturer has taken a $10 million on sales of knee implants as a result of price control in India.
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- US trade representative has cut duty concessions to Indian imports into the US, in response to India capping cardiac stents and knee implant prices.
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- After the initial price controls on implants, there has been overpricing in other critical cardio devices, patients are paying up to five times the imported cost of these devices.
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- The move on prescribing medicine on its chemical names is helping the chemist to sell a product of a company which offers them high margins.
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## What measures are desired?

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- The government needs to upload all the trade transactions of the chemist on a central portal.
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- This will make transparent what is being sold at what price and who has manufactured it.
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- There is a need to have a multilayered and extensive public health service in order to contain private hospitals, clinics and diagnostic centres.
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- The public agency can procure in bulk at a negotiated price and do the job of price control at a fraction of the cost and paperwork of direct price control.
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- Operational and governance-related waste can be reduced by transparent and efficient public procurement of pharmaceuticals.
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**Source: BusinessLine**

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