# Cost Regulation on Cardiac Stents

## Why in news?

\n\n

National Pharmaceutical Pricing Authority (NPPA) has capped the prices of medical stents, which are used to treat coronary artery disease.

\n\n

## What is a stent?

\n\n

\n
- A stent is a tube-shaped device that, when inserted into a blocked blood vessel, can help clear the blockage.
\n
- This is sometimes done through physical means (Bare metal stents BMS) but often through the drugs that the stent gives out at a slow rate (drug-eluting stents).
\n

\n\n

## What is the current move?

\n\n

\n
- The price cap for BMS is Rs 7,260 while that for a drug-eluting stent is Rs 29,600.
\n
- It has brought the price up to 40% lower than their existing market rates.
\n
- The notification makes no distinction on whether a stent is branded or unbranded, manufactured locally or abroad.
\n
- So long as it is being sold in the country, no stent can cost more than the current capped price.
\n
- Those selling at lower than the ceiling prices will have to maintain the

existing MRP.
\n
- All health service providers using coronary stents and billing directly to patients also will have to comply with the price ceilings.
\n

\n\n

## What is the need to regulate?

\n\n

\n
- Higher cost of necessary stents.
\n

\n\n

\n
- The fact that nearly two-thirds of the high out-of-pocket expenditure on health incurred by Indians went towards drugs.
\n
- There was irrational use of medical technologies, including cardiac stents and knee implants because of the profit margin available.
\n

\n\n

## What will be the impact?

\n\n

\n
- This makes stents more accessible to patients who really need them.
\n
- Helps in reducing the dependence of weak insurance cover available.
\n
- Reduces the incentive for unethical hospitals to use them needlessly.
\n
- It provides an opportunity to expand the availability of stents, and by extension angioplasty procedures, in the public health system.
\n

\n\n

## What is the health care providers' demand?

\n\n

\n

- They often demand market-determined pricing of medical technologies on the ground that newer ones will not be available under a regulated regime.
\n
- In the case of cardiac stents, this argument does not hold water since stakeholder consultations held by the NPPA in January revealed that there are ‘huge unethical markups’ in the supply chain.
\n
- It would serve the cause of medical innovation if costing is transparent, and a system of risk pooling is introduced to help patients get expensive treatment without high out-of-pocket spending.
\n

\n\n

## What should be done?

\n\n

\n
- A two-pronged approach should be followed by Centre i.e it should monitor expenditures jointly in partnership with the community, use regulation where needed, and also raise public spending on health.
\n
- District hospitals should offer cardiac treatments uniformly.
\n
- This should be a priority programme to be completed in not more than five years.
\n

\n\n

\n\n

### Source: The Hindu

\n

