

Price hike in essential medicines

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Context- Recently the National Pharmaceutical Pricing Authority (**NPPA**) has decided to hike the price of 384 essential drugs and 1000 formulations of over 11% from 1 st April due to increase in Wholesale price index rise of 12.2%.

What are Essential drugs?

- The **National list of essential medicines (NLEM)** is a list of drugs by the **Ministry of health and family welfare**. The list is framed in lines with the **world health organisation (WHO)**. The prices of these drugs are fixed to ceiling by the NPPA.
- The drugs include **painkillers, anti -infection drugs, cardiac drugs, antibiotics, and anti- cancer drugs, anti -diabetic drugs, patented drugs for HIV, Hepatitis C, TB** and all other drugs that are utmost need for the consumers.
- The criteria are safety, quality, efficacy and cost effectiveness.
- Medicines are added and deleted from the list if it is banned or for safety issues and if a medicine of better efficacy and cost effectiveness is available.

Wholesale price index- It refers to the price of goods at a wholesale stage i.e. goods that are sold in bulk and traded between organizations instead of consumers. WPI is used as a measure of inflation in some economies. It is released by **the Office of Economic Advisor under the Ministry of Commerce and Industry**. It currently has the base year 2011-2012.

The (NPPA) the **National pharmaceutical pricing authority** is a regulatory body set up on 29th august, 1997 to ensure availability, accessibility and affordability pricing of medicines.

It as **statutory** body.

It is under the **Department of pharmaceutical, Ministry of Chemicals and fertilisers**.

Role of NPPA-

- Make essential drugs available to public at cheap rates
- Set price ceilings on drugs and selling by suppliers at MRP.
- Revise prices and fix ceiling under the **Drugs (Price control) order 2013**
- Advise the central government on revisions on drugs policy
- Manage the export and import , profit of companies, individual entities on drugs and formulations

Some initiatives of NPPA

Price monitoring and resource unit (PMRU) -under the consumer awareness, publicity and price monitoring schemes

Pharma Jan samadhan- a grievance portal

Pharama data bank- online data centre of pharma companies

Pharma sahi dam- app for checking prices of drugs.