

DoP looks to speed up functioning of panel on patented drug pricing ahead of pharma policy

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After toying with the idea of fixing the prices of patented drugs through negotiations before marketing them in the country for nearly five years, the Department of Pharmaceuticals (DoP) now wants to speed up the working of the expert committee set up to suggest a mechanism in this regard.

Sources in the department said the committee would hold a meeting soon to decide the further course of action as it would be a crucial element of the proposed National Pharmaceutical Pricing Policy that was drafted and published by the DoP recently.

“The decisions on pricing of patented drugs as part of the policy would be taken based on the recommendations of the expert committee which already had suggested a few models in this regard. The efforts are on to speed up the process,” sources said.

The high-level committee was set up as early as in December 2006 to suggest a framework to fix the prices of imported drugs through negotiations and held a couple meetings, but with no definitive conclusions so far.

The panel took inputs from the stakeholders including the public interest organisations, after the intervention by the Prime Minister's Office which sent notes to concerned ministries like Health, Commerce and Law seeking comments about reviewing the Section 3(d) of the Indian Patent Act.

The committee has been grappling with its formula which has drawn wide criticism from many sections. According to its latest proposal, price negotiations will be done for those patented drugs being launched in the country and will be negotiated on the basis of international reference pricing system. The prices of the identified drugs were to be fixed at the lowest in the international market.

The mechanism proposes two types of prices, one of which would be for the open market and the other would be for prescriptions generating from the public health facilities, which would be 40-70 per cent lower than the negotiated market price in India. The committee had identified 10 such oncological drugs for the purpose of price negotiations. But the proposal was not accepted by large sections of the industry and the public interest groups.