

NEW POLICY & PATENTED DRUGS

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After almost a decade of preparing notes and drafts, officials in the Department of Pharmaceuticals could come out with a draft proposal for a new drug pricing policy last month. That has at least put an end to the continuing uncertainty on the policy front. But it is an incomplete draft in many ways. However, some section of the pharmaceutical industry welcomed the proposals in the draft but healthcare experts and patients groups find it rather deficient in many aspects. As is known, Indian pharmaceutical industry has vastly changed today from the days of 1994 when the last policy was notified. The disease profile of the country has drastically changed over the years with lifestyle diseases have turned into major killers of the people in the country today. Yet, most of the drugs for diabetes, hypertension, cancer, cholesterol and mental disorders remained outside the price control as the government failed to bring them under price control periodically. The new draft proposal seeking to bring 348 drugs under price control as against 74 in the 1994 policy is definitely a welcome move.

A fundamental flaw of the draft is that it seeks to control prices of only a couple of drugs in each therapeutic group leaving out majority of the drugs in that category. That is a highly irrational and discriminatory approach. Controlling only single ingredient formulations in the draft policy is yet another drawback as it opens up an escape route for companies to go out of price control. And the worst part of the new draft is that it leaves out the high priced patented drugs of MNCs from the scope of price control. The draft says that the pricing mechanism of patented drugs will be determined by the expert committee appointed for the purpose five years ago. The need to have some kind of price control on patented drugs was felt soon after the patent law of the country was amended in 2005 when MNCs started introducing large number of patented drugs in the Indian market. Whether all these so called patented drugs are genuinely new molecules and deserved patent rights is a debatable issue. Obtaining a patent implies an exclusive marketing right for the product for 20 years and pharma companies believe that they charge any price for the product. Patent for a drug product and a very high price for it may be justifiable in case of a non essential drug but that cannot be permitted in case of a life saving drug in a country like India. There has to be a government intervention in price fixing of patented life saving drugs. Experts committee was appointed in the context of filing of numerous patent applications with unsubstantiated claims and the high prices charged for these drugs. With MNCs having a major share in the domestic pharmaceutical market today, launching of several more patented products has to be expected in the years to come. There has to be control on the prices of these products as more and more physicians are encouraged to prescribe the patented drugs by MNCs with no regard to income levels of the patients. Therefore, the Department of Pharmaceuticals needs to get the recommendations of the expert group on pricing of patented drugs without any delay so as to include them in the new pricing policy.