

## **Panel on pricing of patented drugs undecided on formula with no data on imported drugs**

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More than two and half years after the inception, another high-level panel-the committee on price negotiations for patented drugs-is yet to submit its report, even as more apprehensions emerged about the success of the proposed mechanism for different reasons including lack of sufficient information with the authorities on the prices of imported drugs.

The panel, set up by the chemicals ministry in February 2007 to suggest a framework to fix prices of imported drugs through negotiations, still could not muster enough support for its formula. The committee has been meeting for the past two years, though originally it was asked to submit the report in ten months. In the past meeting held by the committee, a 'model' for price negotiation of patented drugs was proposed by the ministry. However, it looked less practical for many, leaving the panel fumbling for options.

Since the introduction of the product patent regime in India in 2005, there have been a number of high priced medicines introduced in India, viz., Valganciclovir (priced at Rs 1040/450mg tablet), Erlotinib (priced at Rs 3841/100mg tablet), Pegylated interferon alfa-2a (priced at Rs 18,200/180mg PFS). Patent holders are importing these and many other patented medicines into India for sale. However, as of date, there is no information made available by the department of pharma about the price of patented drugs in India. Without this reliable information, it is indeed difficult for stakeholders to know the impact of the proposed mechanism and exact prices charged on pharmaceutical products in India, according to industry leaders.

The proposed price negotiations are targeted for those drugs that are patented and without therapeutic equivalents. According to this, 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 to 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.

The committee had taken inputs from stakeholders including public interest groups in the last meeting. But it only had added further confusion to the panel, already grappling with task of hammering out a consensus among the stakeholders. Some of them even questioned the composition of the panel which lacked known experts and need of the same as price fixation should be left to NPPA.

According to public interest organizations, the proposed format would only help a small section of the society as majority of drug costs are out of pocket expenses in the country, in the absence of an effective health insurance. As per the World Health Organization data, only 21.3 per cent of the total expenditure on medicine in India is accounted for by the government or insurance, with the balance of nearly 78.6 per cent paid for privately, they pointed out.