

Road map to affordable medicines



GOPAL KRISHNA AGARWAL

It goes without saying that no government can allow market forces a free hand in the pricing of medicines. Affordability of medicines has to be ensured so that no person in need of it has to suffer.

This is especially true in India where a large number of people are still poor. The Narendra Modi government has been focussing on making medicines affordable by making them available through Jan Aushadhi Kendras, enabling price control of essential medicines, promoting prescription of generic medicines by medical practitioners and focussing on a conducive intellectual property regime (IPR).

Generic drugs

Generic drugs tend to cost less than branded ones. These drugs form the largest segment of the Indian pharmaceutical sector. The increasing prevalence of chronic diseases and ever-rising costs of hospitalisation and medicines are responsible for the growth of the generic drugs market. In this context, the National Health Protection Scheme (NHPS), also known as 'Ayushman Bharat', launched in 2018 – which seeks to insure 10 crore families for ₹5,00,000 – is expected to exponentially increase the demand for medicines. A well-functioning, end-to-end generic medicine supply chain will keep costs low.

Targeted implementation

An initiative to ensure affordable medicines through dedicated outlets was launched in the form of the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) in 2008. The mission was to create awareness about generic medicines and provide commonly used generic medicines and health-care products. However, as on March 31, 2012, only 157 stores were opened; later, many became non-functional. Till the end of 2014-15, there were 99 stores.

In 2014, a 'Strategic Action Plan' was prepared. The product basket now has more than 600 medicines and 154 surgical and consumables in all therapeutic categories. There are over 4,000 Jan Aushadhi Kendras. These centres are gradually becoming ubiquitous.

Directive on prescriptions

Due to sustained efforts by the government to put in place a legal framework to promote generic medicines, the Medical Council of India issued a directive in September 2016, making it mandatory – by amending the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 – to prominently mention the generic names of drugs along with brand names in prescriptions. There is an advisory to State drug controllers that all branded drugs, imported or domestically manufactured, should mandatorily have generic names mentioned in bold while packaging.

The instrument of price control is also being used to restraint companies from pricing their medicines exorbitantly. 'Every few years, the Health Ministry, in consultation with experts, draws up a National List of Essential Medicines (NLEM). These medicines, deemed essential for the treatment of common conditions, automatically come under price control. Under NLEM 2015, a total of 376 drugs are under price control. In addition, the government has the power to bring any item of medical necessity under price control – paragraph 19 of the Drugs (Prices Control) Order, 2013. This provision was used to regulate the prices of cardiac stents and knee implants'. There has been an attempt to strike a fine balance between the health interests of consumers and the financial health of Indian pharmaceutical companies.

The Indian pharmaceutical sector industry supplies over 50% of the global demand for various vaccines, 40% of generic demand in the U.S. and 25% of all medicines in the U.K. Over 80% of antiretroviral drugs (used in the AIDS fight) are supplied by India.

A serious threat to affordability of medicines comes from big global firms. These companies and their governments have been trying to lobby with India to make patent protection more stringent despite the fact that both compulsory licensing and prohibition of evergreening, provided under the Indian Patents Act, 1970, are valid under the TRIPS agreement of the World Trade Organisation. India has resisted any change in its intellectual property laws that can have the effect of making medicines unaffordable.

Gopal Krishna Agarwal is National Spokesperson of the BJP on economic affairs