

# National Pharmaceutical Pricing Authority (NPPA) & its role in the wake of Covid-19 crisis

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In news

National Pharmaceutical Pricing Authority (NPPA) has played a significant role in fixing the price of medicines and Covid-19 essentials

Its role during Covid-19

- In the wake of COVID-19 pandemic, the Ministry of Health & Family Welfare (MoH&FW) had identified a list of critical medical equipments for the same and requested National Pharmaceutical Pricing Authority (NPPA) to ensure availability of the same in the country.
- All the medical devices have been notified as drugs and have come under the regulatory regime of the Drugs & Cosmetics Act, 1940 and Drugs Prices Control Order, 2013 w.e.f. 1st April 2020.
- With this NPPA stressed that all the manufacturers/importers of critical medical equipments shall ensure sufficient availability of the same in the country.
- In order to keep check on the price rise of critical medical equipments, NPPA in exercise of powers conferred under DPCO 2013, had called for price related data from manufacturers/importers of (i) Pulse Oximeter and (ii) Oxygen Concentrator to ensure that prices existing as on 1st April 2020 should not be increased more than 10% in a year.

## Major achievements of NPPA

Following are the major Achievements and Initiatives for the period of January, 2020 to 20th December, 2020:-

- **Fixation of Ceiling and Retail Price Of Drugs:** It has fixed retail price for 255 new drugs and Ceiling price has been fixed for 17 formulations comprising 12 medicines.
- **NPPA Extends Ceiling Prices Of Knee Implants Up To 15th September 2021:**
  - Price capping of Knee Implants in the year 2017 had resulted in price reduction of up to 69% and market share of domestic manufacturers has risen by 11% over the period of two years, which is in line with the Government's motto of 'Atmanirbhar Bharat'.
  - NPPA vide order no. S.O. 3147(E) dated 15th September 2020 extended the ceiling prices of Orthopaedic Knee Implants up to 15th September 2021.
- **Setting-up of Price Monitoring Resource Units (PMRUs) and IEC activities:**
  - During January- 20th December, 2020, eight PMRUs have been set-up in the States/UT of: Andhra Pradesh, Mizoram, J&K, Karnataka, Telangana, Maharashtra, Goa and Madhya Pradesh.
  - PMRUs function under the direct supervision of the concerned State Drug Controllers for increasing outreach of NPPA and act as collaborating partners of NPPA with information gathering mechanism at the grass-roots level.
  - IEC activities with focus on outdoor publicity on the role of NPPA were also undertaken during January-March 2020.

About the National Pharmaceutical Pricing Authority (NPPA)

National Pharmaceutical Pricing Authority (NPPA) was constituted vide Government of India Resolution dated 29th August 1997 as an attached office of the Department of Pharmaceuticals (DoP), Ministry of Chemicals & Fertilizers as an independent Regulator for pricing of drugs and to ensure availability and accessibility of medicines at affordable prices.

### Functions of NPPA

It has been entrusted with the following functions;

1. To implement and enforce the provisions of the Drugs Price Control Order (DPCO), 1995/2013 in accordance with the powers delegated to it.
2. To undertake and/or sponsor relevant studies in respect of pricing of drugs/formulations.
3. To monitor the availability of drugs, identify shortages, if any, and to take remedial steps.
4. To collect/maintain data on production, exports and imports, market share of individual companies, the profitability of companies etc. for bulk drugs and formulations.
5. To deal with all legal matters arising out of the decisions of the Authority.
6. To render advice to the Central Government on changes/revisions in the drug policy.
7. To render assistance to the Central Government in the parliamentary matters relating to the drug pricing.