

## **Draft Pharma Policy**

### **Why in news?**

\n\n

The draft pharma policy was recently released by the Department of Pharmaceuticals (DOP).

\n\n

### **What are the highlights of draft pharmaceutical policy?**

\n\n

\n

- The new pharmaceutical policy proposes to balance the need for price control over medicines.
- Union government will gain a greater role in deciding prices of medicines and medical devices.
- Pricing authority will regulate only medicines that are specified by the government in the National List of Essential Medicines.
- The price caps being imposed on patented medicines are reduced.
- Policy allows pharmaceutical manufacturers to sell their medicines under only under generic names and not under differently-priced brands.
- Manufacturing of drugs under WHO standards is made mandatory.
- The policy seeks to bring down the unreasonable trade margins offered by various stockists to hospitals.

\n

\n\n

### **What are the issues with the policy?**

\n\n

\n

- The policy fails to lay controls over the chemists, this may facilitates the sale of fake drugs.  
\n
- The policy doesn't have any mechanisms to boost production standards.  
\n
- Instead of an appellate authority, it seeks to give bureaucrats more powers on drug controls.  
\n
- **Direct price control** - Government takes role of fixing the drug price.  
\n
- This will affects the quality, innovation, and hurts patients as much as it does companies.  
\n
- It opens the door to lobbying and rent-seeking with all the attendant dangers for competition and for corruption.  
\n

\n\n

## What measures can be taken?

\n\n

- It will be better if price monitoring focuses on essential drugs, there are about 200.  
\n
- Strict price control measures needs to be avoided and market friendly pricing should be followed.  
\n
- Domestic production of import drugs should be promoted, with better quality and affordability.  
\n
- The government should also consider specific steps against overcharging of prices by the industries.  
\n

\n\n

\n\n

**Source: Business Standard**

\n



**SHANKAR**  
**IAS PARLIAMENT**  
*Information is Empowering*