



NEW NATIONAL MEDICAL DEVICE POLICY MANDATES SEPARATE PRICE CONTROL FOR MEDICAL DEVICES

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After all the complaints of overpricing of medical devices like cardiac stents and implants, the government has finally come up with separate price control regime for medical devices. The new draft National Medical Device Policy-2015, issued recently by the Department of Pharmaceuticals (DoP) mandates a separate price control for medical devices. As per the new draft policy, the medical devices will be included as separate entry in the list of commodities controlled under the Essential Commodities Act. The government will announce a separate policy enunciating the principles for regulating the prices of identified medical devices and implement the same by notifying a separate Medical Devices Prices Control Order (MDPCO). Under the new draft policy, a separate division will be created in National Pharmaceuticals Pricing Authority (NPPA) for pricing of the devices by suitably amending the resolution constituting NPPA. At present, prices of medicines are notified through the Drug Prices Control Order, by the department of pharmaceuticals. The draft policy, which has been put up on the department of pharmaceuticals (DoP) website and communicated to industry bodies and chambers, seeks comments within six weeks, after which a final note will be prepared for Cabinet approval.

PSA View – In India, doctors, hospitals and retailers have been making a lot of money by prescribing expensive stents or branded medicines to vulnerable patients. A stent with an ex-factory cost of Rs 30,000 is sold at Rs 40,000 or Rs 45,000 by a distributor to a hospital or doctor, after including marketing and supply chain margins. However, the patient pays around Rs 1,00,000 for the same stent to the hospital. Medical devices are covered under the Drugs and Cosmetics Act but there is no law governing their prices. The health care sector is also perceived to lack enough checks and balances against corruption and malpractices by doctors, retailers and distributors. Sources in various government departments say private hospitals often bribe individual practitioners to refer patients for knee transplants, heart surgeries, etc. With New Policy, we hope the menace is curbed.

By:

Mansi Airi Gambhir



