

Consumer Awareness, Publicity and Price Monitoring’ – Scheme Guidelines.

1. Introduction

1.1. Pharmaceutical Industry is a knowledge based and dynamic industry. It has grown many folds in the recent past. With announcement of new National Pharmaceutical Pricing Policy (NPPA), 2012 and the DPCO, 2013, there has been a shift of regulation of prices from economic and cost based criteria to essentiality and market based criteria which entails enormous task of creating and maintaining data base and strengthening the existing monitoring system of NPPA. Further, NPPA does not have its own field units to forge linkages with the activities of the State Drug Controllers (SDCs) and State Drug Inspectors and it is also not equipped with adequate officers for conducting field investigation and inquiries for strict implementation/enforcement of its mandate.

1.2. Pronab Sen Task Force (2005) set up by the M/o Chemicals and Fertilizers has strongly recommended for establishment of a live linkage of NPPA with the SDCs through a dedicated Price Monitoring Cell which should be fully funded by Central Government for a period of at least five years.

1.3. Parliamentary Standing Committee on Chemicals and Fertilizers has time and again recommended for strengthening the existing monitoring and enforcement system as well creation of NPPA cells at the States/Uts level in order to carry out the mandate of NPPA in an effective manner. The Committee in its 38th Report has specifically stated that the relevance of strengthening the existing monitoring and enforcement system as well creation of NPPA cells at the State/UTs level should be re-examined again in the backdrop of the new Drug Price Control Order (DPCO), 2013.

1.4. Keeping in view the changing scenario in the pharma sector and the recommendations of various Committees, NPPA has revised with the approval of Department of Pharmaceuticals revise/modify the existing scheme and also by renaming it as Consumer Awareness, Publicity and Price Monitoring.

1.5. The revised/modified scheme i.e. Scheme of Consumer Awareness & Publicity and Price Monitoring will be implemented at the Central level by the National Pharmaceutical Pricing Authority (NPPA) and at the State level by the registered societies of Price Monitoring and Resource Units (PMRUs):

2. Aims and Objectives of the Scheme:

2.1. The objectives of the above project are to disseminate message to the consumers and general public about-

- (i) Ceiling prices of scheduled medicines notified by the Government;
- (ii) Permissible price increase for scheduled and non-scheduled medicines;
- (iii) Availability of medicines at reasonable prices and promotion of generic medicines;
- (iv) Precautions to be taken while purchasing medicines from chemists/retailers such as checking the MRP (which includes all taxes), manufacturing and expiry dates, price list of medicines, obtaining bill for the medicines bought, etc;
- (v) Requirement for prescription of medicines by their generic names also;
- (vi) Price control and monitoring and enforcement activities of NPPA;
- (vii) Lodging complaints to NPPA for any violation including violation of DPCO, 2013 as well as unethical practices in the Pharma sector.

3. Part A- Activities to be undertaken by NPPA:

- (i) Awareness Creation: Creation of general awareness about the availability of medicines, ceiling prices of medicines fixed by the Government, precautions to be taken while purchasing medicines and about the functioning of NPPA. This will be done through issue of advertisements in the print media and through radio jingles and tele-films.
- (ii) Organizing Conferences/ Seminars/ Workshops: It is proposed to organize national and State level Conferences/Seminars/Workshops with stakeholders.
- (iii) Purchase of test samples by NPPA: NPPA does not have separate fund for purchase of test samples of medicines for its price monitoring activities and to ensure compliance of notified ceiling prices. It is mainly dependent on various complaints received from the State Drug Controllers and individuals for monitoring price compliance. In order to effectively carry out the monitoring the enforcement activities, it has been, therefore, proposed to strengthen the enforcement activities by way of wide geographical coverage for purchase of test samples of medicines.

3.1. The Scheme is expected to create general awareness about the availability of medicines, prices of medicines, ceiling prices of medicines fixed by the Government, precaution to be taken while purchasing medicines and about the functioning of NPPA. This will improve the accessibility of quality medicines at a reasonable price to the common people of the country and facilitate both clinically effective and cost effective treatment.

4. **Part B- Activities to be undertaken by PMRUs:**

4.1 Assistance for Setting up Consumer Awareness, Price Monitoring and Resource Units (PMRUs) at the States/Union Territories: *PMRUs will be registered societies under the Chairmanship of the State Drug Controller, representatives of NPPA/State Health Department, civil societies and other stakeholders.* PMRUs will be the key collaborating partners of NPPA with information gathering mechanism at the grass roots levels. They will create public awareness so that benefits of the DPCO (revised from time to time) trickle down to the grassroots levels. Their activities will include market-based data collection, compilation; analysing and management of scheduled/non-scheduled formulations; Monitoring of price movement of scheduled/non-scheduled formulations; Collection/purchase of test samples of medicines; Advertisement and publication of newsletter, etc; conducting Training, seminars and workshops at the State and District levels for consumer awareness and publicity.

4.2 Purchase of samples by PMRUs/States/UTs: The States/UTs will be given grants to purchase samples of medicines to monitor the prices of drugs. The basic purpose is to ensure that the benefits of the DPCO trickle down to the grassroots levels. Samples purchased, along with cash memos/vouchers, will be sent to NPPA so that NPPA can take further action as per provisions of DPCO.

5. **Cost Estimates for the scheme duration: Both year-wise, component-wise segregated into non-recurring expenses**

5.1. The cost estimates for the various projects under Part A and B of the proposed revised/modified Scheme are given as below: The component at Sl. No. 5, namely, "Assistance to PMRUs", has non-recurring components. The break-up is provided under para 5.2.

(₹ in lakh)					
Sl. No.	Components	2017-18	2018-19	2019-20	Total
PART-A					
1.	Newspaper advertisements by NPPA	100	100	100	300
2.	Advertisements through electronic media – radio jingles/tele-film (NPPA alone)	100	100	100	300
3.	Conference/ seminars/ workshops	16	26	36	78
4.	Purchase of test samples by NPPA	5	6	7	18
PART-B					
5.	Assistance to PMRUs *	160.9	382	521	1063.9
6.	Purchase of samples by PMRUs @ Rs 1 lakh per PMRU per year	3	7	10	20
Total		384.9	621	774	1779.9

Say, Rs 1780 lakh

* Break-up of recurring and non-recurring is provided under para- 5.2.

5.2. For Part-B, the fund would be released to the PMRU society directly by NPPA.

- i. Estimates on advertisements, news jingles, video spots as are based on past experiences of similar activities with expansion of work in the subsequent years.
- ii. Amounts of ₹6 lakh and ₹2 lakh have been provided respectively for the National and State level Conferences/ Seminars/ Workshops.
- iii. Estimated amounts have been provided for the purchase of test samples.

6. Year-wise outputs/ deliverables

Component	Sub-component	Output 2017-18	Output 2018-19	Output 2019-20
Advertisements by NPPA alone. The purpose is to create general awareness about the availability of medicines, ceiling prices of medicines fixed by the Government, precautions to be taken while purchasing medicines and about the functioning of NPPA.	(i) Print media	Two advertisements	Two advertisements	Two advertisements
	(ii) Electronic Media	One Radio Jingle programme for one month/ a few tele-films programme.	One Radio Jingle programme for one month/ a few tele-film programme.	One Radio Jingle programme for one month/ a few tele-film programme.
Conference/ Seminars/Work-shops to bring awareness regarding initiatives taken by NPPA. (NPPA would prepare a workshop/seminar schedule by identifying the States for organising the one day seminar.)		One national seminar and upto 5 one-day seminars in States.	One national seminar and upto 10 one-day seminars in States.	One national seminar and upto 15 one-day seminars in States.
Purchase of test samples by NPPA to ensure compliance of notified ceiling price		This is a continuous process throughout the year to find out whether there is overcharging by pharma companies.		
Assistance for Setting up Consumer Awareness, Price Monitoring and Resource Units (PMRUs) in States. (PMRU to collect market based data for compiling and analysing the data. PMRU would monitor the price movement of scheduled/non scheduled formulations.		3 states	7 states	10 states
Purchase of Test samples by PMRUs/States/UTs		3 states	7 states	10 states

7. Categories of States/ UTs for setting up the PMRU:

7.1. For the purpose of providing the required infrastructure and contract staff to the PMRUs, States/UTs have been proposed to be categorized into the following three categories:

- Category I-States/UTs having population of more than 3% of all India population;
- Category II-States/UTs having population of less than 3% but more than 1% of all India population; and
- Category III- States/UTs having population of less than 1% of all India population.

7.2. The strength of contractual staff of the PMRUs will be as below:

Category I	Category II	Category III
State Drug Controller		
1. Project Coordinator	1. Project Coordinator	1. Project Coordinator
2. Three (3) Field Investigators	2. Two (2) Field Investigators	2. One (1) Field Investigator
3. Three (3) Data Entry Operators	3. Two (2) Data Entry Operators	3. One (1) Data Entry Operator

7.3. Items proposed under non-recurring grants per Unit are- Computers (Hardware and Software), Office Tables, Chairs, Almirahs, Air Conditioners, Internet Connectivity, etc.

7.4. The scale of expenditure under the non-recurring grants will be:

- Category I – ₹7.00 lakh
- Category II – ₹5.00 lakh
- Category III- ₹3.00 lakh

7.5. Items proposed under recurring grants per Unit are-Salary/Honorarium of staff; market-based data collection, compilation; analysing and management of scheduled/ non-scheduled formulations; monitoring of price movement of scheduled/ non-scheduled formulations; collection/purchase of test samples of medicines; advertisement and publication of newsletter, etc; training, seminars and workshops at the State and District levels for consumer awareness and publicity, etc.

7.6. The scale of expenditure under recurring grants per annum would be:

- Category I – ₹55.00 lakh
- Category II – ₹49.00 lakh
- Category III - ₹42.00 lakh

7.7. As of now, PMRUs are being established in the States of Kerala, Gujarat, Odisha. Funds to the tune of 90% of the infrastructure requirement was released during 2016-17 to the States of Gujarat, Odisha and Kerala.

7.8. Requirement of funds upto 2019-20 for the PMRUS for recurring as well as non-recurring expenditure will be as below:

(Amount in lakh Rs)

Category of PMRU	2017-18			2018-19			2019-20			Total		
	No.	Amount		No.	Amount		No.	Amount		No.	Amount	
		Non-Rec	Recurr		NR	Rec		NR	Rec.		NR	Rec.
I	2	1.4	110	4	14	220	5	7	275	5	22.4	605
II	1	0.5	49	2	5	98	3	5	147	3	10.5	294
III	0	0	0	1	3	42	2	3	84	2	6	126
TOTAL	3	1.9	159	7	22	360	10	15	506	10	38.9	1025

8. Mode of Funding:

8.1 The expenditure under the scheme will be independently met out of the Budget of NPPA.

9. Period of Implementation

9.1 As of now, the revised/ modified scheme is proposed to be implemented in two years from the financial year 2018-19 to 2019-20. The scheme maybe reviewed for extension thereafter.

10. Monitoring of the Scheme

10.1 Member Secretary (NPPA) and the Director in charge of Monitoring & Enforcement Division will oversee the implementation of the project. At the Central level, the progress of the Scheme will be monitored by the Director of Monitoring & Enforcement Division on monthly basis. At the state level, the monitoring of the progress of PMRUs to be monitored by the concerned State Drugs Controller. The State Drugs Controller has to convene meeting of the PMRU Society every month by 10th to monitor the progress of the scheme. A monthly report, clearly indicating the targets and other pre-determined parameters vis-à-vis achievements in this regard, will be sent to NPPA by 20th of every month. NPPA will submit a consolidated quarterly progress report to Secretary, Department of Pharmaceuticals.

11. Expected Outcomes

11.1 The Scheme is expected to create general awareness about the availability of medicines, ceiling prices of medicines fixed by the Government, precautions to be taken while purchasing medicines and about the functioning of NPPA. This will improve the availability of quality medicines at reasonable price to the common people of the country and facilitate both clinically effective and cost effective treatment. The outcome cannot be measured in quantitative terms

12. Conclusion

12.1 It has always been the endeavour of the National Pharmaceutical Pricing Authority to make available quality medicines at an affordable price to the public at large. Majority of people in the country are not having knowledge of availability of cheaper version of branded and generic medicines in the market and the prices at which these medicines are available in the market. They might also not be aware of ceiling prices fixed by the Government or controlled medicines. They may, therefore, end up paying higher amount for the medicines, though it may be available at cheaper rate in the market. Thus, the Scheme would help in creating general awareness amongst the people about role and functions of NPPA and availability of medicines and their prices which will be helpful to them in choosing quality medicines at reasonable price. It would also help NPPA to have better linkages with various stakeholders viz., concerned State Government Departments, SDCs, NGOs, etc.
