



What's New

11.01.2019

NPPA's first price monitoring and research units (PMRU) established in Kerala

The National Pharmaceutical Pricing Authority (NPPA) has started setting up long awaited price monitoring and research units (PMRUs) at the State and Union Territory levels to ensure Monitoring the notified prices of medicines, detection of violation of the provisions of DPCO (revised from time to time), pricing compliance and ensuring availability of medicines and other objectives as the first price monitoring and research units (PMRUs) has been established by NPPA in Kerala in collaboration with State Drug Controller, Kerala.

A Conference with State Drug Controllers was held in NPPA Office on 10th January 2019 to discuss about setting up of price monitoring and research units (PMRUs) in respective states and also to look for the other areas of developing synergies in efforts.



NPPA had announced the Draft Central Sector Scheme of assistance for setting up Price monitoring and resource units (PMRUs) at the states/ union territories in 2015. According to the

draft, The NPPP, 2012 has prescribed the following course of action to be undertaken by the NPPA:

- Check the IMS Health data by appropriate survey/ evaluation, whenever required;
- collect data for those drugs not available in the IMS data;
- Monitor the implementation of the notified price on a continuous basis through a proper methodology and system;
- Monitor the compliance of annual increase in prices of scheduled drug formulations based on WPI and take appropriate action in case any company has fixed the prices not inconsistent with the WPI or the revised notified price of NPPA; and
- Monitor the compliance of permissible increase in prices of non-scheduled drugs on a regular basis and take appropriate action in case any company has fixed the prices not inconsistent with the permissible level.
- Monitor the availability of scheduled drug formulations.
- Monitor the trends of NLEM vis-à-vis Non-NLEM MAT value/ volume.

The DPCO, 2013 also provides for monitoring the production and availability of scheduled formulations, active pharmaceutical ingredients contained in the scheduled formulation and the manufacturer of scheduled formulations.

Such jobs, particularly relating to collection, compilation/ creation and analysis of “market based data” were hitherto not undertaken by NPPA but have now become an integral part of the working of the NPPA under the NPPP, 2012 and DPCO, 2013 regime on a continual basis. The attainment of such task by NPPA alone would not be possible unless necessary support is provided for setting up PMRUs at the States/ UTs.

Accordingly, it is proposed to initiate a Central Sector Scheme of Assistance for setting up Price Monitoring and Resource Units (PMRUs) at the States/ UTs which would provide all necessary support to the State Drug Controllers and NPPA. Each Unit will function under the direct supervision of the concerned State Drug Controller. PMRUs will be key collaborating partners of NPPA with information gathering mechanism at the grassroots level. PMRUs will also ensure that the benefits of the DPCO (revised from time to time) trickles down at the grassroots level. The Central funding will be for an initial period of 5 (five) years subject to a mid-term review after 12th Plan period.

Objective of setting up the PMRUs:

The objectives of setting up the PMRUs are to provide necessary technical assistance to the State Drug Controllers and NPPA towards:

- Monitoring the notified prices of medicines, detection of violation of the provisions of DPCO (revised from time to time), pricing compliance and ensuring availability of medicines;
- Monitoring the price movement of scheduled and non-scheduled formulations based on periodical returns filed by the industry, revision of price of scheduled formulations by the manufacturer based on the annual increase in Wholesale Price Index (WPI) as per provisions contained in the DPCO, oversee the price of non-scheduled formulations so that the prices of such formulations are not increased beyond 10% annually;
- Collection and compilation of market based data of scheduled as well as non-scheduled formulations and analyse them.

- Collect test samples of medicines at the retailed market whenever required;
- Conduct training, seminars and workshops at the State and District levels for consumer awareness and publicity covering aspects relating to the role and functions of NPPA, availability of scheduled and non-scheduled medicines at reasonable prices and care to be taken while purchasing the medicines from the chemists/ retailers and availability of alternative cheaper medicines . The resource persons for the training will be provided by the State Drug Controller and by the NPPA, whenever required; and
- Any other related works as assigned to them by the NPPA from time to time.

For the purpose of staffing and providing the required infrastructure to the PMRU, States/ UTs have been proposed to be categorised into the following three categories:

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

With the implementation of PMRU scheme, Kerala will have a dedicated team to monitor price movements and so on other states who will establish price monitoring and research units (PMRUs) in the time to come.

DRAFT CENTRAL SECTOR SCHEME OF ASSISTANCE FOR SETTING UP PRICE MONITORING AND RESOURCE UNITS (PMRUs) AT THE STATES/ UNION TERRITORIES