

## UPSC Civil Services Examination

### Subject – UPSC GS-II

#### Topic - Drug Price Control Order 2013 - Facts About Drugs (Prices Control) Amendment Order, 2019

Drug Price Control Orders (DPCO) are issued under Essential Commodities Act (ECA). Government of India is the issuer of such orders. The drug price control orders enable the government to declare a ceiling price for essential and life saving medicines (as per a prescribed formula). In January 2019, Ministry of Chemicals and Fertilizers issued Drugs (Prices Control) Amendment Order, 2019 to strike the right balance between consumer and producer interests.

This article will provide relevant facts about Drug Price Control Orders (DPCO) for [IAS Exam](#) preparation. The topic comes under UPSC Mains GS-II, “Government policies and interventions for development in various sectors and issues arising out of their design and implementation.”

#### Why does Drug Price Control Order came into effect?

There are a few reasons to note down to understand the applicability of Drug Price Control Order:

1. The action of a few pharma companies to increase the prices of their products to get maximum benefit affected the daily user.
2. The affordability of these medicines was hampered as common man found it difficult to cope with the soaring prices

Government of India, to stop this activity, brought to surface, Drug Price Control Order that defines the prices of the essential drugs and keep them in control so that they can be accessed by the public.

#### What is an Essential Medicine?

A list of those medicines that are necessary for the health care needs of the population. The concept of essential medicines was introduced by WHO in 1977. The below points are given importance to, to denote a medicine as an essential medicine:

1. Public health relevance
2. Evidence on efficacy and safety, and
3. Comparative cost-effectiveness

#### Features of Essential Medicines:

1. Essential Medicines should be available at all times (within the context of functioning health systems) in adequate amounts
2. Essential Medicines should be available at all times in the appropriate dosage forms
3. These medicines should be available at all times with assured quality and adequate information

4. These medicines are introduced for a fact that prices of these medicines are affordable for an individual and the community

Drug Price Control Order (DPCO) highlights the need of efforts to rationalize the use of essential medicines. Some of the steps that government can take are:

1. Clinical Guidelines imposition on the pharmaceuticals (DPCO is one such example)
2. Promotion of drugs committees in districts and hospitals
3. There should be proper supervision, audit and feedback
4. Enhancement of public education about medicines
5. Government should spend sufficiently to ensure availability of medicines and staff

## Introduction to Drugs (Prices Control) Amendment Order, 2019 for UPSC

The facts about DPCO (Amendment) 2019 are mentioned in the table below:

Drug Price Control Order (DPCO) Amendments 2019 – Facts for IAS Exam	
<b>Introduced by?</b>	Ministry of Chemicals and Fertilizers
<b>Key Points about DPCO amendments?</b>	<ul style="list-style-type: none"> <li>• Exemption from the price control regulations for 5 years (from the date of marketing) is offered to a drug maker who brings in an innovative patented drug</li> <li>• <a href="#">NITI Ayog</a> recommended the amendments to the Department of Pharmaceuticals (DoP).</li> <li>• Drugs for treating rare or “orphan” diseases too will be exempt from price control, with a view to encouraging their production.</li> <li>• Central government will continue to fix prices in line with market-based data available on drugs</li> <li>• The source of market-based data shall be the data available with the pharmaceutical market data specialising company as decided by the government</li> <li>• If the government deems it necessary, it may validate such data by appropriate survey or evaluation</li> </ul>