Society & Social Justice · GS - II

Explain the role of the National Pharmaceutical Pricing Authority in regulating medicine prices in India. How can price regulation improve access to essential medicines?

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 02/11/2026	GS - II	Society & Social Justice

MARKS	WORD LIMIT
10	~150 words

Answer Hint

NPPA; Department of Pharmaceuticals; NLEM; DPCO; ceiling prices; affordability; pharmaceutical innovation

Model Answer

Introduction

Affordable medicines are essential for universal health coverage. In India, the National Pharmaceutical Pricing Authority (NPPA) regulates medicine prices under the applicable drug-pricing framework to balance affordability and industry sustainability.

Role of NPPA

1. Price regulation: The NPPA fixes ceiling prices for scheduled formulations under the Drugs (Prices Control) Order, 2013.

2. Essential medicines: The National List of Essential Medicines (NLEM) helps identify medicines considered important for public health and supports the price-control framework.

3. Monitoring: The authority monitors compliance with prescribed prices and can take action against manufacturers for overcharging under applicable provisions.

4. Non-scheduled medicines: Their prices are not subject to the same ceiling-price mechanism, but annual price increases are restricted under the DPCO.

Benefits and Challenges

Price regulation can improve affordability, reduce excessive pricing and protect vulnerable households from high out-of-pocket health expenditure. However, weak enforcement, supply shortages and the financial sustainability of pharmaceutical production require attention.

Way Forward

Regular revision of essential-medicine lists, transparent pricing, stronger market surveillance, reliable supplies and incentives for quality domestic manufacturing can improve access.

Conclusion

Effective medicine-price regulation must combine affordability, quality, availability and sustainable pharmaceutical innovation to strengthen public health outcomes.

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