MEDICINE PRICES

What the 2019 cancer drug cap taught us

One upstream rule cut 526 brand prices without singling out a single seller. The lessons still hold.

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AT A GLANCE

What NPPA did in 2019

POWER	Paragraph 19 of DPCO 2013, extraordinary public interest
ACTION	Trade margin capped at 30% on 42 non-scheduled cancer medicines
RESULT	MRPs reduced on 526 brands
SAVINGS	About 984 crore rupees a year, per PIB, November 2020

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THE MECHANISM

What a trade margin cap does

- Trade margin: the gap between price to stockist and MRP
- Manufacturers competed on bigger margins, not lower prices
- Cap: MRP no more than 30% above price to stockist
- Manufacturers had to lower MRPs to comply

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THE NUMBERS

How far 526 brands fell

75%+	63 brands
50-75%	167 brands
25-50%	169 brands
UNDER 25%	127 brands

Government review, PIB, 6 November 2020.

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ONE EXAMPLE

Erlotinib 150 mg fell from 9,999 rupees to 891.79 rupees

Pemetrexed 500 mg fell from 25,400 to 2,509 rupees, about 90%.

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FIVE LESSONS

What the 2019 cap teaches today

1. Fix the gap where it is created, upstream
2. Start narrow: high price, high burden, large margins
3. Publish brand-level results
4. Watch availability and brand withdrawals
5. Tell patients prices have fallen

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WHY IT MATTERS NOW

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Every seller, whether a chemist, an online pharmacy or a hospital, then sold from a lower MRP. Nobody had to be singled out.

In October 2026 the government repeated the exercise with a 30% cap on 110 more non-scheduled cancer drugs.

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DO THIS

Practical steps for patients and hospitals

- Patients: ask for medicines itemised in the estimate before admission
- Hospitals: show prices first when caps make headlines
- Explain the change at the counter. It builds goodwill

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READ THE FULL GUIDE

The 2019 cancer drug margin cap, in full

- The full brand-by-brand reduction table
- Why the cap applied equally to hospitals
- How it connects to the Supreme Court debate
- gauravphogat.com/cancer-drug-trade-margin-cap-2019-lessons

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