



SENATE OF PAKISTAN

Report No.11 of 2020

REPORT OF THE
STANDING COMMITTEE ON NATIONAL HEALTH SERVICES,
REGULATIONS AND COORDINATION

Starred Question No.40 regarding “Reasons of increase in the prices of medicines”, raised by Senator Mian Muhammad Ateeq Sheikh on 24th July, 2020

PRESENTED BY
SENATOR KHUSHBAKHT SHUJAT
Chairperson SSC on National Health Services, Regulations and
Coordination

SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON NATIONAL HEALTH SERVICES, REGULATIONS AND COORDINATION

I, Chairperson of the Senate Standing Committee on National Health Services, Regulations and Coordination have the honor to present the report, on behalf of the Committee on Starred Question No.40 regarding “Reasons of increase in the prices of medicines”, raised by Senator Mian Muhammad Ateeq Sheikh on 24th July, 2020.

2. The matter was referred to the Senate Standing Committee on National Health Services, Regulations and Coordination for consideration and report to the House.

3. The composition of the Committee is as under:-

1. Senator Khushbakht Shujat	Chairperson
2. Senator Ayesha Raza Farooq	Member
3. Senator Bahramand Khan Tangi	Member
4. Senator Dilawar Khan	Member
5. Senator Dr. Asad Ashraf	Member
6. Senator Dr. Ashok Kumar	Member
7. Senator Sikandar Mandhro	Member
8. Senator Dr. Ghous Muhammad Khan Niazi	Member
9. Senator Liaqat Khan Tarakai	Member
10. Senator Prof. Dr. Mehr Taj Roghani	Member
11. Senator Sana Jamali	Member
12. Senator Sardar Muhammad Shafiq Tareen	Member
13. Senator Syed Muhammad Ali Shah Jamot	Member
14. Minister for National Health Services, Regulations & Coordination	Ex-Officio Member

4. The Standing Committee considered the issue in the meeting held on 24th September, 2020. The Committee disposed of the matter and decided to submit the report to the House. The meeting was attended by the following members, namely:-

1. Senator Khushbakht Shujat	Chairperson
2. Senator Dr. Asad Ashraf	Member
3. Senator Dr. Ashok Kumar	Member
4. Senator Dr. Sikandar Mandhro	Member
5. Senator Dr. Ghous Muhammad Khan Niazi	Member
6. Senator Liaqat Khan Tarakai	Member

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| 7. Senator Sana Jamali | Member |
| 8. Senator Sardar Muhammad Shafiq Tareen | Member/Mover |
| 9. Advisor for National Health Services, Regulations & Coordination | Ex-Officio Member |

SUMMARY

The Ministry briefed that in pursuance order of honourable Supreme Court of Pakistan in HRC No.2858/2006, Drug Pricing Committee recommended increase/reduction in the Maximum Retail Prices of drugs under Drug Pricing Policy-2018 and a compliance report was submitted to the Supreme Court of Pakistan in first week of November, 2018. Review petitions were also submitted in Supreme Court of Pakistan by counsels of industry. After hearing arguments from both sides, counsels of DRAP and Industry, Apex court on 14.11.2018 ordered to notify maximum retail prices recommended by DPC of DRAP after approval by the Federal Government.

The honourable Supreme Court, while hearing counsel for the pharmaceutical companies in above said case also passed direction in respect of revision in prices of drugs for consideration of the Policy Board of the Authority. Accordingly, the matter was placed before Policy Board in its meeting held on 18.12.2018 and Board considered the reasons of increasing prices of medicines. After detailed deliberation Policy Board made recommendation to Federal Cabinet under Drug Pricing Policy-2018, para-12(8).

The Federal Cabinet forwarded the matter before the Task Force on Health, which has requisite expertise for the purpose, who endorsed recommendation of the Policy Board and DPC. The said recommendations were approved by the Federal Cabinet. Notifications were issued after vetting by Law & Justice Division in this regard.

Maximum Retail Prices of 78 drugs were reduced vide SRO.577(1)/2019 dated 24th may, 2018 after approval by Federal Government. In addition, Maximum Retail Prices of 89 generic drugs have been reduced to maintain minimum difference of 15% with their respective originator brands vide SRO.09(I)/2020 dated 1st January, 2020.

Forty nine (49) Constitutional Petitions were filed by pharmaceutical companies during year 2019 against reduction of drug prices in the High Court of Sindh at Karachi. After contesting by FOP and DRAP, 42 petitions were dismissed. In which 13 pharmaceutical companies filed CPLAs in the Supreme Court of Pakistan against the orders of the Sindh High Court, but they were again dismissed.

The Standing Committee showed satisfaction on the briefing by Ministry of Health Services, Regulations and Coordination and disposed the matter.



(ABDUR RAUF KHAN)
Acting Secretary Committee



(SENATOR KHUSHBAKHT SHUJAT)
Chairperson Committee