

General Studies – 2; Topic: Issues relating to development and management of Social Sector/Services relating to Health,

Medical Stent Implants

1) Introduction

- A stent is a tube-shaped device that, when inserted into a blocked blood vessel, can help clear the blockage
- National Pharmaceutical Pricing Authority (NPPA) capped the prices of medical stents, which are used to treat coronary artery disease
- The price cap is one example of how a life-saving medical device can be made affordable when the government intervenes to regulate prices.

2) Indian stent market

- Industry estimates suggest that the market is worth \$500 million.
- It is expected to grow many times in the coming days due to huge burden of diabetes and hypertension in the Indian population.

3) Why there was a need for price cap

- It was found that huge unethical mark-ups are charged at each stage in the supply chain of coronary stents resulting in irrational, restrictive and exorbitant prices
- Rising costs had led to impoverishment of families and litigation demanding regulation.
- Given the overall dominance of private, commercial, for-profit health institutions, correctives to bring about a balance was inevitable.
- The Lancet in December 2015 reported that there was irrational use of medical technologies, including cardiac stents
- High incidence of coronary artery disease (CAD) in India is a “major public health problem”.
- That is why stents were ruled to be “essential” for public health, a criterion that is key to the price control principle.

4) Reaction from the Industry

- The medical technology industry is disappointed with this outcome.
- Indian stents industry is going to face enormous operational challenges in the coming time
- This move will reduce the options available for the Indian patients from choosing the most advanced and cutting edge technologies.

5) Implications

- Regulated prices can make stents more accessible to patients who really need them
- This helps patients avoid using up the weak insurance cover available
- Reduce the incentive for unethical hospitals to use them needlessly.
- The stents price cut makes angioplasty more accessible.
- **Negatives**
 - a) This pricing has the potential to block innovations and limit access to world class medical care.
 - b) Margin compression across the value chain thereby impacting medical device companies, distributors and hospital providers.
 - c) Sudden implementation of this order will result in an overall disruption in the supply chain, leading to non-availability and chaos for patients in need

d) Price cap may lead to the Indian market missing out on some of the newer multinational products

6) Concerns

- The singular focus on controlling ceiling price of stents, without attempting to address the inefficiencies in the healthcare ecosystem
- The policy doesn't address issues such as pricing of special stents and those in inventory.
- Most of the cardiac patients with even 50 per cent blockage in arteries who do not require stents are implanted with stents.
- In the private sector, at least 25 per cent-30 per cent of the stent implants are inappropriate.
- The cost may increase in some private hospitals for stent implants in the form of hospital and surgical charges, to increase their own share of profit.

7) Way Forward

- The latest measure provides an opportunity to expand the availability of stents, and by extension angioplasty procedures, in the public health system.
- District hospitals should offer cardiac treatments uniformly. This should be a priority programme to be completed in not more than five years.
- A similar price cap should be done for Pacemakers, orthopaedic implants and intraocular lenses are other medical devices
- Diabetes and hyper tension has to be controlled and treated simultaneously. Then we can have the optimal benefit of stenting.
- The price regulation will only make the stent implants cheaper. The major concern over the practice of irrational stent implants or an angioplasty needs to be looked at.
- The state-level Food and Drug Administration (FDA) authorities have to strictly regulate the hospitals and the complaints filed by patients for overcharging and use of inferior quality of stents.
- The doctors and hospitals involved in these unethical practices should be seriously dealt with under the law.