

OPINION

## Look for proof



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Policymaking, especially in health, is a complex process. Here, research that guides the process of policymaking is one of many contributing factors, the others being

political aspects, interests of key stakeholders, feasibility of the policy, alignment with other policies, and consonance with the larger vision of the government. It is vital that India's health policies are based on the best available evidence-based research.

### **Capping stent prices**

For example, a lot has been written on how the National Pharmaceutical Pricing Authority's (NPPA) decision, taken a year ago, to cap prices of advanced medical equipment, was a recipe for a public health crisis. There is now consensus that price regulation in an otherwise free-functioning market would eventually create inefficiencies. However, effects are often diffused and take time to surface. This makes finding evidence of the impact of such policies ex-post necessary, thereby providing guidance to policymakers to tweak and refine their policy goals and strategies.

In the example above, the policy was envisaged to make angioplasty procedures more accessible. But did this come about? IQVIA and the Advanced Medical Technology Association (AdvaMed), which comprises nearly 300 global medical technology companies, have released a paper to show that the NPPA's decision, to cap prices of cardiac stents, was actually bereft of economic logic. The study, conducted a year after the price cap policy came into effect, found that benefits to patients with coronary heart disease and the growth in the number of angioplasty procedures did not significantly change in this time. The study also found that the price cap on stents by as much as 85% resulted in 8-18% reduction in the overall angioplasty procedure cost for patients undergoing single vessel procedure (which accounts for almost three quarters of all angioplasty patients) in private hospitals. Patients at government-run hospitals did not benefit significantly because stents were, in any case, available at below the effective price after capping.

So, public policies need to be carefully designed. The approach by the NPPA in regulating price devices greatly underestimated the value of policy design. The study shows that the NPPA's planned actions did not result in representing a realistic and viable means of achieving improved access to affordable health care. There is now empirical proof that the big drop in prices due to the policy did not significantly alter the growth rate of angioplasties across hospitals.

### **Disease burden**

India faces a growing burden of non-communicable diseases, with cardiovascular diseases at the forefront. In this context, our reliance on any provider of safe and effective medical devices, which includes stents, cannot be undermined. By 2020, India is projected to have the highest population of youth, and, by 2027, the world's largest workforce with a billion people aged between 15 and 64 years. We need to ratchet up medical infrastructure and strengthen the health-care ecosystem so that our demographic dividend does not become a demographic disaster.

We should adopt public policies that have some empirical support and backed by scientific research. If reason and research point to the contrary, then price caps must go. We can consider alternative measures such as trade-margin rationalisation and differential pricing of medical devices, combined with categorisation, on the basis of the clinical status of patients. These long-drawn but concrete ways will increase accessibility to quality health care, boost innovation, and, most importantly, assist the government in achieving the goal of universal health coverage.

When the NPPA said that it would reconsider its decision to cap prices, it was perhaps hoping to somehow, carefully and logically, ground its decision. There is evidence now. The NPPA must demonstrate that its actions can not only be cost effective and beneficial but also preserve incentives for innovation to make our health-care system robust.

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