

Research Paper



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FAIR PRICE MEDICINE SHOP IN WEST BENGAL: STUDY ON THIS NEW INITIATIVE NEW CHALLENGES

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ABSTRACT

Poverty in India is widespread and major problem of Health. The 21.3% of total population is under poorest of the poor condition as declared by the Govt. of India on 2012. Health is primary issues of people as the proverb "Health is wealth". Considering point in today's India is skyrocketing prices of everything so pricing of medicine is not a miracle. Generic drugs cost less than branded ones, and the price difference is mainly due to the absence of marketing expenses incurred by pharmaceutical firms for their products. The Govt. of West Bengal (Health Department) has introduced "FAIR PRICE MEDICINE SHOP" with lot of challenges which help bring down the cost of medicines, thereby benefiting the end-consumers.

People are mortally scared to take the bold step of asking unwilling doctors for the generic names of medicines prescribed. Generic drugs are being pushed in a big way by the West Bengal government to replace expensive branded medicines and bring down the prices of essential drugs.

This research paper is based on data collected from State Bureau of Health Intelligence. The work was conducted to analysis the details of the govt. new initiative & challenges. The numbers of fair price medicine shop with the discount percentage level, the policy for new initiative, district wise distribution, challenges & beneficiaries participation are discussed in the paper.

KEY WORDS: FPMS, Discount %, PPP (P3), MRP.

1. INTRODUCTION

This working paper is the end result of a study on fair price medicine shops, established in various government hospitals for the benefits of the poor patients of the state West Bengal. The government had initiated the process of introducing generic medicines in state-run hospitals by opening fair price shops through public-private partnership (PPP). A public – Private Partnership (PPP) is a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. These outlets are selling generic drugs at a whopping rebate on the maximum retail price (MRP), earning kudos from the people, but annoying a major section of drug sellers.

Union Ministry of Health and Family Welfare have appreciated the move taken by the government for patients to get medicines with up to 77 per cent discount on MRP (Maximum Retail Price). Quality control would be an issue, and the government has to be smart about sniffing out spurious medicines. Another challenge is very hard to change one's natural habits, as for long period, doctors have been prescribing branded drugs, while the people are also habituated in consuming branded medicines. Our country had initiated the process about 30 years ago. But the quality of generic drugs was not up to the mark. The state's druggists association, which was earlier up in arms, has now asked its members to sell generic medicines with a higher rebate



than the discounted rates at fair price shops. The Bengal Chemists and Druggist Association (BCDA) have more than 35,000 members across the state under its umbrella. BCDA asks doctors to start prescribing generic names. On the flip side, the transition attempt could prove costly for a section of medical representatives, as sales of a few branded drugs have shrunk dramatically. This initiative is sure to bring much-needed relief to people who are burdened with rising costs in almost all fields.

It would need sustained scientific effort from the authorities for people to cross this psychological barrier and change the medical system. Doctors need to understand the predicament of the patients, and willingly prescribe generic medicines. It has been a trend for a while for doctors to recommend medication without taking the cost into consideration.

The purpose of this initiative is to ensure round the clock availability of quality medicines, consumables, surgical items, implants etc. at preapproved discounted rates over the Maximum Retail Price (MRP) to provide utmost benefits to the patients through the fair price outlets within the Medical Colleges and District Hospitals/SD Hospitals in the state of West Bengal.

2. OBJECTIVE OF THE STUDY

Taking into consideration for the significance of new challenges introduced by the government of West Bengal, the study was undertaken about PPP model of Fair Price Medicine Shop in West Bengal with the following objectives.

- To identify total number of fair price medicine shop with Partner organisation throughout the State.
- To check the % of discount relating to different partner organisation.
- Study on Product & services policy with quality assurance.
- Outlook of Beneficiary participation for FMPS.

3. DATA & METHODOLOGY

The data is collected from the report “HEALTH ON THE MARCH”, 2013-14 published by State Bureau of Health Intelligence, Directorate of Health Services, Government of West Bengal. The calculations are drawn using MS Excel.

4. CONCEPT AND MECHANISM OF FAIR PRICE MEDICINE SHOPS

With the progress of the Indian economy, especially when the focus is on the achievement of sustainable development, there must be an attempt to include maximum number of participation from all the sections

of the society. But the lack of awareness and health ignorance among the population of the country is suffering from different health issues. Medicines constitute an extremely important and considerably large component of health and medical care services in the government health sector in our state. Due to several reasons, the existing supply and delivery system of medicines in most of these hospitals are insufficient to meet the need of the common people. The Department of Health and Family Welfare (Do HFW), Government of West Bengal (Go WB) has established the appropriate delivery system to the patients of the state for improved access to good quality medicines, consumables, implants etc. to suit the requirement of the patients at reasonable price round the clock by involving suitable and competent private sector organizations and use their strengths for establishment of round the clock operation of Fair Price Medicine Shops under Public Private Partnerships (PPP) as an ‘Add-on-Facility’ in the Government Hospitals in the state.

People are compelled to purchase branded medicine, forced to pay high price for that. The concept of generic medicine was vanished almost from doctors, medicine shopkeepers & pharmacists. In this situation, patients are dependent, to a large extent, on the private retail pharmacy outlets operating outside the hospitals. Information and reports indicate that these retail outlets have sizeable business volume through the sales of a range of branded medicines at market price to the patients seeking treatment in these government hospitals. It is estimated that 60 – 70% of the total sales of these retail outlets are made from the prescriptions generated from these hospitals. The hospital authorities have neither any control on the pricing of these brands to make these available at lower than the market price to the patients of the hospital, nor can it institute its own monitoring mechanism to check, on an on-going basis, the quality of the medicines being sold in the outlets.

The 24x7 Fair Price Medicine Shops in the public hospitals of West Bengal have reduced the average price of critical medicine and appliances. Their planning of extensions of services beyond hospitals so that they reach out to a larger share of patients. The bid for the FPMS is based on the extent of discount on MRP a unit is willing to offer. This automatically brings down the price of the medicine nearer to the competitive price. The Govt. has taken step for prescribing in generic name for the benefit of patients. For medicines, the fair price outlet shall mandatorily stock and sell the Generic Form of all single ingredient and combination formulation

as per the list of 142 items provided under Schedule of the Agreement. FPMS need to sell the Orthopaedic items / appliances and accessories and consumables required for Dialysis Services in hospitals where these products

are currently in use. The FPMS sell any product with doctor's prescription & provide the bill with the name of medicine, quantity, batch number, date of expiry etc. as per requirement of Acts and Rules.

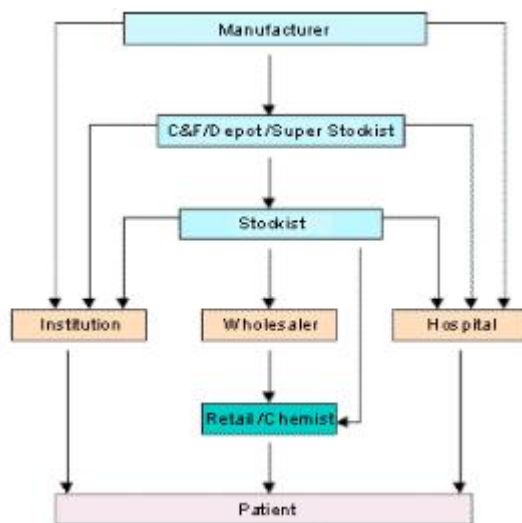


Figure 1: Channels of Drug Distribution

5. DETAILS OF FAIR PRICE MEDICINE SHOP COMPARE TO HOSPITAL CATEGORY

Table 1 Status of FPMS as on November, 2014

Category of Hospitals	Number of FPMS functioning	Planned for establishment
Medical College & Hospitals	13	116
Dental College & Hospital	1	
District Hospital	21	
Sub divisional Hospital & Others	29	
State General Hospital	16	
Rural Hospital	14	
Total	94	116

So as per the proposed plan, 81 % of total FPMS are running successfully.

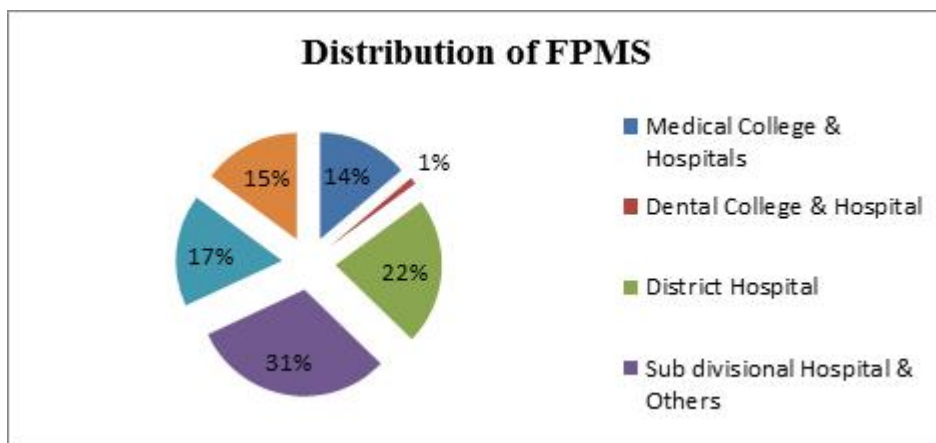


Figure 2 : Distribution of FPMS as per Hospital Category

6. ORGANISATION DETAILS WORKING UNDER PPP MODEL OF FPMS**Table 2: Details of Organisation working under PPP model of FPMS**

Sl. No.	Name of The Organisation	Number of Hospital attached with the organisation	% of Market share
1	M.S. Life Drug House Pvt. Ltd.	5	5.32
2	Emami Frank Ross Limited	2	2.13
3	Apollo Pharmacy	12	12.77
4	The Calcutta chemist Corner	3	3.19
5	Kalpana Medical Agency	3	3.19
6	Annapurna Medicine Distributers	5	5.32
7	M/S. Santi Enterprise	4	4.26
8	Krishna Pharmacy	2	2.13
9	Tripti Medical Agency	1	1.06
10	Jhanwar Medical Store	2	2.13
11	Sytco INC	1	1.06
12	vibgyor enterprise	3	3.19
13	M/S. Angel	2	2.13
14	M/S lily medical stores Pvt. Ltd.	1	1.06
15	Annapurna Medicine	1	1.06
16	Aparna Enterprise	1	1.06
17	Burdwan Diagonastic & Research Center	5	5.32
18	M/s. Prerona Drug House	4	4.26
19	Vikash Pharmaceuticals	1	1.06
20	Koley Medical Agency	1	1.06
21	M/S Ghosh Medical	2	2.13
22	Bengal Syndicate	4	4.26
23	Desun Hospital & Heart Institute	5	5.32
24	M/S. Saha Agency	3	3.19
25	Singti Gutti Atra Bilaspur SKUS Ltd.	2	2.13
26	Ghosh & Brothers	1	1.06
27	Radha Distributers	1	1.06
28	M/S. Annesha Medical Hall , Birpara	2	2.13
29	KGN Enterprise	1	1.06
30	Surgimed Pvt. Ltd	2	2.13
31	Tangra Blue Print	1	1.06
32	North Bengal Medical Agency	1	1.06
33	Eastern Medical Services	1	1.06
34	M/S S.s Enterprise	2	2.13
35	H.M Enterprise	3	3.19
36	M/S Prerona Drug house	3	3.19
37	M/s Kundu Medical Agency	1	1.06

Apollo Pharmacy is market leader among all. They have maximum number of FPMS and highest

involvement under PPP model. Some organisations have only one FPMS operating successfully.

6. A. Details of Organisation operating in Hospital of the District

Table 3: Details of FPMS & hospitals in the districts

Sl. No.	Name of The District	Number of FPMS	Number of Hospitals Including Rural hospital , BPHC & Primary Health Centers
1	North Twenty Four Parganas	8	82
2	South Twenty Four Parganas	5	96
3	Burdwan	6	145
4	Murshidabad	3	99
5	Medinipur	8	198
6	Hoogly	4	81
7	Nadia	10	74
8	Howrah	6	62
9	Kolkata	13	67
10	Maldah	4	54
11	Jalpaiguri	6	58
12	Bankura	3	94
13	Birbhum	4	81
14	Uttar Dinajpur	2	28
15	Puruliya	3	75
16	Cooch Behar	3	44
17	Darjeeling	4	38
18	Dakshin Dinajpur	2	28

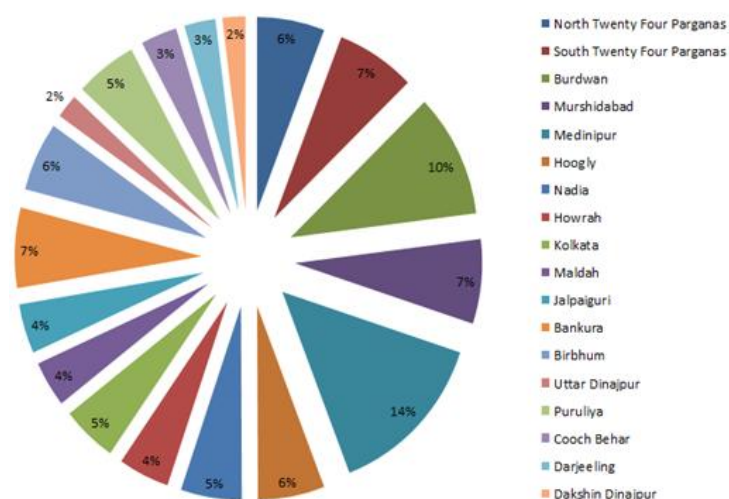


Figure 3: The % of FPMS in each District

The Comparison ratio between hospital & Fair price medicine shop is also an important part. Because the patients of OPD & IPD of Govt. hospital are main target to cover with medicine & other related equipment. The total number of FPMS is 94. The total numbers of hospital in eighteen districts are one thousand four

hundred four (1404) only. The govt. has introduced one fair price medicine shop (FPMS) for the patient of average fourteen hospitals in a district. The establishment FPMS is also dependent on the number of hospitals & patients availability.

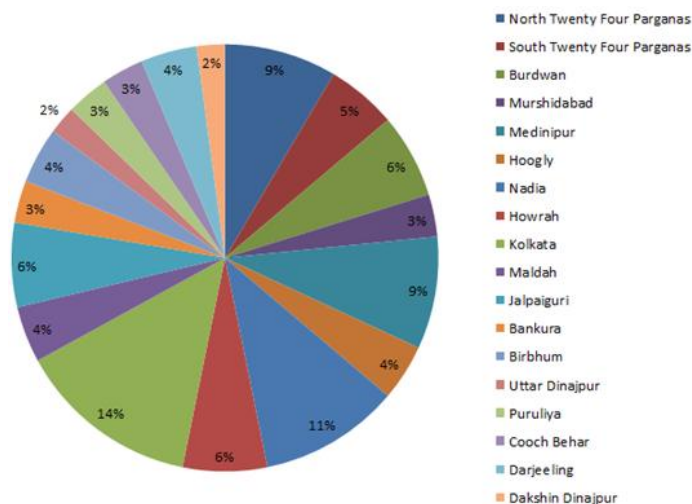


Figure 4: The % of Govt. hospital in each District

7. ORGANISATION WITH THEIR AVERAGE PERCENTAGE OF DISCOUNT

Table 4: Organisation with their average discount percentage

Sl No.	Name of The Organisation	% of discount (Avg.)
1	M.S. Life Drug House Pvt. Ltd.	66.25
2	Emami Frank Ross Limited	53.6
3	Apollo Pharmacy	51
4	The Calcutta chemist Corner	54
5	Kalpana Medical Agency	68.16
6	Annapurna Medicine Distributers	57.76
7	M/S. Santi Enterprise	62.37
8	Krishna Pharmacy	59.5
9	Tripti Medical Agency	51
10	Jhanwar Medical Store	66.5
11	Sytco INC	52.2
12	vibgyor enterprise	59.43
13	M/S. Angel	60.75
14	M/S lily medical stores Pvt. Ltd.	58.75
15	Annapurna Medicine	53.3
16	Aparna Enterprise	62.5
17	Burdwan Diagonastic & Research Center	66.5
18	M/s. Prerona Drug House	61.53
19	Vikash Pharmaceuticals	67
20	Koley Medical Agency	60.25
21	M/S Ghosh Medical	67
22	Bengal Syndicate	65.5
23	Desun Hospital & Heart Institute	72.5
24	M/S. Saha Agency	70.5
25	Singti Gutti Atra Bilaspur SKUS Ltd.	62.5
26	Ghosh & Brothers	65.5

27	Radha Distributers	72
28	M/S. Annesha Medical Hall , Birpara	69
29	KGN Enterprise	51.5
30	Surgimed Pvt. Ltd	71
31	Tangra Blue Print	77.2
32	North Bengal Medical Agency	72.43
33	Eastern Medical Services	70.5
34	M/S S.s Enterprise	61.8
35	H.M Enterprise	67.05
36	M/S Prerona Drug house	60.6
37	M/s Kundu Medical Agency	68.75

The average discount percentage is considered as it varies from one to another partner organisation and as well as the same organisation is offering different discount percentage for their different outlet. The highest discount is offered by **Tangra Blue Print**. But,

in other case, APOLLO PHARMACY & TRIPTI MEDICAL AGENCY offer lowest discounts in comparison to others. The average percentage of discount is 63.18.

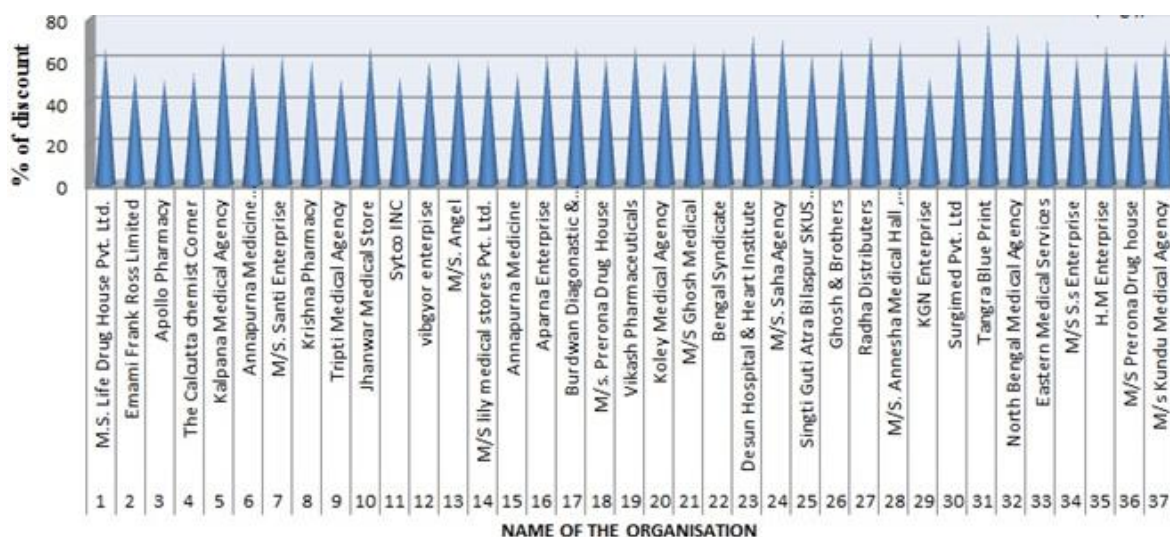


Figure 5: Comparison between organisation's discount percentages in FPMS

8. PRODUCT / SERVICES AVAILABLE IN FPMS AT DISCOUNTED VALUE

- ◆ Generic / branded medicines as provided in the scheme of the list of 142 items. The list is dynamic.
- ◆ Medicines listed under the guidelines of JSSK & also approved by under RSBY scheme.
- ◆ Additional medicines to meet the needs of patients.
- ◆ Medical consumables with mandatory list of 39 items along with surgical items.
- ◆ Cardiology related devices / implants (pacemaker, stent) used mainly in higher tier hospitals.
- ◆ Orthopaedic implants / devices.

8.a. Quality Assurance for the medicine:

- ☆ The private partner is completely liable for maintaining the quality & other important parameters as per the guidelines. The procurement system is fully incorporated with the scheme.
- ☆ The private partner can medicine or consumable directly from manufacturer or marketing agent having turnover exceeding forty (40) crore during last two financial years.
- ☆ Manufacturers must be revised schedule Medicine complaint & conform to Current Good Manufacturing Practice standard.

☆ NABL (National Accreditation Board for Testing and Calibration Laboratories) or other approved laboratories of the state govt. will take participation twice a year for the Quality Audit including formulation & drug procurement of FPMS.

☆ The Quality Audits should follow the Quality Testing as per the Cosmetic Acts, 1940 and the Drugs & Cosmetic Rules, 1945.

9. PERFORMANCE REVIEW OF FPMS

Health dept. of West Bengal govt. have taken a brief of fair price medicine shops (FPMS). The details is shown below:

Table 5: Performance of 90 Fair Price Medicine Shops (FPMS)

Period	Gross Sales (MRP) [INR] (RS. In Crore)	Discount Availed by Patients [INR] (RS. In Crore)	Number of beneficiary (In Crore)
December 2012- November 2014 (Twenty Four Months)	521.22	302.57	1.16

The total number of beneficiaries from all eighteen districts is almost one crore sixteen lakhs with is '521.22 crore for December 2012 to November 2014. availed discount of '302.57 crore when the gross sales

Table 6: Comparative performance record of First 35 FPMS established in first phase

Year Details	Gross Sales (MRP) [INR] (RS. In Crore)	Discount avail by patients [INR] (RS. In Crore)	Number of Beneficiary (In Lakh)
December 2012 – November 2013	149.22	90.66	38.57
December 2013 – November 2014	290.14	179.16	55.85
% Growth	94.4	97.6	44.8

The growth rate is almost 94.4% in terms of gross Sales when discount avail by patients is 97.6 % & also the 44.8% of beneficiary growth is observed. Here two year comparison study is done.

Table 7: District Wise Beneficiary number & percentage benefitted from FPMS for Dec12-Nov14

SL. NO.	District Name	Total patients considered as Beneficiary for discounts Facility of FPMS (Inpatient & Outpatients including Emergency)	% of Beneficiary benefitted from FPMS
1.	North Twenty Four Parganas	678473	5.74
2.	South Twenty Four Parganas	1381947	11.70
3.	Burdwan	569456	4.82
4.	Murshidabad	570775	4.83
5.	Medinipur	709882	6.01
6.	Hoogly	494308	4.18
7.	Nadia	704089	5.96
8.	Howrah	803041	6.80
9.	Kolkata	2248919	19.04
10.	Maldah	158441	1.34
11.	Jalpaiguri	446546	3.78
12.	Bankura	364324	3.08
13.	Birbhum	605353	5.12

14.	Uttar Dinajpur	337870	2.86
15.	Puruliya	467359	3.96
16.	Cooch Behar	261735	2.22
17.	Darjeeling	522085	4.42
18.	Dakshin Dinajpur	488277	4.13

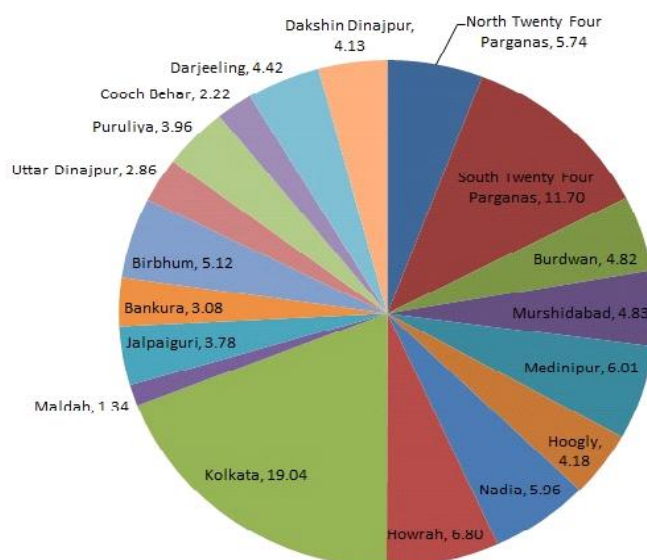


Figure 6: % Beneficiary benefitted from FPMS for last 24 months (Dec12- Nov14) in each District

From the table 7, it is concluded that the Kolkata was in leading position with 19 % benefitted beneficiaries. The patients of Kolkata & outside of Kolkata (district Refereed Patients) are more aware & favouring the discount facilities. On the other side, Maldah district was with least percentage of 1.34 of total beneficiaries. Average 5.5 % of beneficiaries of each district are benefitted by the govt. scheme FPMS.

The data was for the twenty four months (December 2012 to November 2014).

10. LIMITATIONS OF THE STUDY

The report is the representation of Govt. programme for the specific period. From the report, it is difficult to find out the factors influencing for different level of discount percentage offered by different FPMS. Details of Medicines & others related equipment is not reported to the dept. with specific periodic interval. Operation policy of inventory is not described properly.

11. CONCLUSION AND SUGGESTIONS

The overall study reveals that the FMPS are good step for the poor & lower middle class family. The myth 'FPMS sells low quality medicines' - is not true, as government surveillance is stringent and it is not

required to compromise the quality to earn profit as explained. FPMS incur loss during sale of certain medicines but compensate it through voluminous sale of other items along with branded medicines. Big customer base, wide acceptability, low/subsidized establishment cost and government patronage enable them to earn considerable profits on this venture. Even the small retailer & branded medicine shop of urban & rural areas are offering certain level of discount percentage on branded / generic medicine & medicine equipment. The profit margin is less but the price discount policy relieved household pocket in each class of our society. The FPMS idea tells us that people are willing to pay a bit more if they could be guaranteed good quality medicines round the clock. To mitigate the excessive marketing margin imposed on the price of the branded medicines, the pressure is on the doctors to recommend generic drugs with some success, but greater success is expected and desirable. Few suggestions are incorporated as remedial measures for the improvement of this policy.

- ✧ Fair price medicine shop is not in consideration of awareness from govt. of West Bengal. More campaign is essential from local administrative level.

- ✧ Govt. should take care to remove the the wrong perception like below / bad quality medicine offering in discount from FPMS.
- ✧ Non availability of medicine is another responsibility of FPMS & doctors as well as Health administration.
- ✧ Generic name should be the first opinion of doctor on prescription. Most time the govt. order is ignored by the doctors & it is considerable due to lack of medicine literacy/ awareness among patients.

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