

# THERE IS A CURE

Chittorgarh shows the way to affordable healthcare—generic drugs at cost price

by **Pragya Singh** in Chittorgarh

**D**ESPITE a long history of battles and a still-intact fort, dusty, small-town Chittorgarh doesn't quite look like a place where revolutions still happen. But thanks to a project that started last July, this hilly district in south Rajasthan has quietly overthrown the prevailing regime of

high-priced medicines—a key failure of India's healthcare system. In its stead, it has introduced another that dramatically lowers the cost of drugs, making access to healthcare easier for even the very poor. The usual 'medical shops' that sell at maximum retail price still exist, but in 16 stores run by the Central Cooperative Bank essential medicines are being supplied as part of a 'Generic Drugs Initiative'—prices here are 40-50, sometimes 90 per cent lower.

Chittorgarh is among the 50 worst performing districts on the human development index, with poverty widespread and access to social services dismal at best. It's in this milieu that the cooperative stores have come forward to sell generic versions of hundreds (564 to be precise) of drugs. The stores have

opened near hospitals and, no surprises, patients are flocking to them. So much so, the administration now believes there's room for a further drop in prices.

Another round of price cuts may sound far-fetched—the popular stress relief medicine Diazepam, for instance, already sells at the cooperative store for Rs 2.48 per injection instead of the usual Rs 21. Similarly, the price of a two-day supply of the blood pressure-regulating drug, Simvastatin, has gone down from Rs 120 to less than Rs 35. The cooperatives manage the price cuts because they sell only generic versions—copies of drugs whose patents have expired. The law says once the patent expires on a medicine, any drug company can manufacture it. Without the associated R&D, marketing and advertising costs, gener-



## HOW CHITTORGARH DID IT

Orders passed saying doctors in government hospitals must prescribe generic medicines only

ics can retail at far lower prices.

N.C. Saxena, who assists on UNICEF health and access projects, says that "unlike the rest of the country where regulating drug prices has become a very difficult task, the Chittorgarh model shows how much a government can achieve if it decides to make cheaper medicines accessible". But it's not always about prices, for many patients have doubts about the efficacy of generics. At the same time, for Indians 80 per cent of healthcare spends come out of their own pocket, and most of this goes for medicines. For Dr Samit Sharma, Chittorgarh district collector



## JUST WHAT THE DOCTOR RECOMMENDED

A combination of information and persuasion I

Medicine	Amoxycillin 500 mg (x 10)	Calamine lotion	Cetirizine tablets (x 10)	Ciprofloxacin 500 mg (x 10)	Micro IV Set for children	Simvastatin 20 mg (x 10)
Usage	Anti-infective	Anti-itching	Anti-allergic	Anti-Bacterial	Transfusion	Anti-cholesterol
Branded drug price (Delhi)	62	62	32.36	67	84	120
Generic drug price (Chittorgarh)	23.09	16.17	6.24	11.23	4	34.39

\*prices in Rs



# LOW COST (GENERIC) MEDICINE SHOP

1

2



Kalulal Lakhan (left) has come a fair way to buy medicines for his daughter

Photographs by TRIBHUVAN TIWARI

**Strict checks to ensure only generic drugs are prescribed unless absolutely necessary; ad campaign too**

**Cooperative asked to procure generic medicines and supply them through a network of 16 stores**

**Tenders invited by the cooperative, most bids far lower than currently retailing. Pre-selected companies allowed to bid.**

since July 2008, it was imperative that change happened in both areas.

First, he tightened the grip on government-run hospitals and its doctors. They were disallowed from prescribing medicines by brand names; doctors can now only prescribe a “salt” name—the final choice of drug to be bought, generic or branded, remains with the patient. Sharma then launched a campaign to promote generics: every third street corner in Chittorgarh and the government-run community health centre in nearby village Bassi have signs emblazoned—‘Buy generic drugs: They cost less’ or ‘Ask

your doctor for generic medicines: They are just as effective.’ The messages were placed on prescriptions as well. Needless to add, doctor’s prescriptions are also being monitored.

The results were encouraging. Doctors in the town—which has two large hospitals and about 50 private doctors’ practices—report that patient numbers have increased by 15-40 per cent, a sign that people are now more confident that they can afford medical care. The state’s medical bill for pensioners and others (who access the government health system) has also declined for the first time,

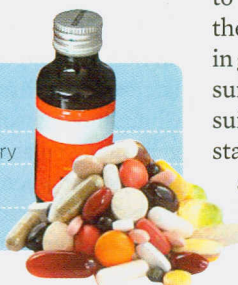
by about Rs 4 crore, mostly because people are spending less on medicines.

Sharma, who was a doctor in Jaipur before he sat for the IAS, is now a household name—even rickshaw drivers will tell you about him. “If the government is serious about reducing healthcare costs, it will have to take some cost-related measures—either price controls or ensuring that doctors prescribe generics,” says Sharma. In fact, similar orders have been passed all over the country (by the Medical Council of India in 2002) but no one has seen about implementation.

But when it’s tackled, medicines seem to be one field where the trickle-down theory has worked. Lower-priced drugs in government-run stores have put pressure on private practitioners to follow suit. Private medical stores, who have started to lose business to sarkari stores, are cutting prices. Central Cooperative Bank MD Pradeep Sahay says the impact is spreading to other

led to a dramatic fall in drug prices

Atorvastatin 20 mg (x 10) Anti-cholesterol	Diclofenac 50 mg (x 10) Anti-inflammation	Salbutamol + Ambroxol syrup Anti-asthma	Nimesulide 100 mg (x 10) Anti-inflammatory
170	16	35	24.5
22.60	3.36	14.98	2.15





parts of Rajasthan too. Nine districts including Jaipur, Bhilwara, Jalore and Sirohi are now procuring drugs from the Chittorgarh cooperatives. In fact, in districts such as Jhalawar and Bundi, drugs must now be procured at “Chittorgarh rates”. “In some cases, just by removing the middleman there is sometimes as much as a 700 per cent reduction in prices,” says Ram Singh Sankhla, general manager with the bank.

Six months on, even individual patients from adjoining districts have now started rushing to Chittorgarh for medical supplies. At any given time, orders worth Rs 2-3 crore are waiting to be shipped to nearby districts by the cooperative. The medical store at the district hospital for women is in a perpetual state of flux because of the demand. This is where the government’s ‘godown’ for generic drugs is. Letters exchanged with Pali district show an order worth over Rs 5.7 lakh. Another from Kota is a demand for Rs 1 crore worth of (generic) cetrizine. Each order is placed in cardboard boxes and loaded on to buses.

Meanwhile, private-practice doctors like B.S. Kothari, whose clinic is in a row of houses next to the cooperative drug-stores, look on. “I’ve come around to the view that one should try generic medicines—they are very good, particularly ones manufactured by established companies,” he says. Kothari says he now tends to prescribe more generic drugs.

According to experts, the fear of fake drugs, and of generic medicines not being effective enough, must go. For most generics have such low manufacturing costs that it’s rarely profitable to fake them. In Chittorgarh, a technical panel of doctors has pre-selected 22 drug companies (now being expanded to

**“The Chittorgarh model shows how much a government can achieve if it makes cheaper medicines accessible.”**

**N.C. Saxena**  
Consultant, UNICEF

## ‘Govt intervention a must to cut prices’

*As a medical doctor who practised in different Rajasthan hospitals for nearly five years before he took the IAS exam, Chittorgarh district collector **Dr Samit Sharma**, 38, knows how the system works. Excerpts from an interview:*

**This is a time of letting market forces work. Who will appreciate your idea of controlling prices?**

It’s strange. India is the biggest bulk and generics drugs manufacturer, has among the lowest cost of healthcare in the world, but still out-of-pocket expenses on medicines are the highest in the world here. Without the government intervening, there’s no way to cut prices.

**How did you bring doctors around?**

Doctors spend five years in medical school, but are never taught about generics. They learn about generics from medical representatives, who have an interest in promoting branded drugs. Sometimes doctors will have to compromise on their lifestyle, often funded by benefits from branded drug makers! But all doctors are not bad...many of them are simply ignorant about the efficacy of generic medicines



and come around pretty quickly.

**In your previous posting in Jhalawar, you tried to create access to low-cost medicines. What happened when you left?**

It did lose steam once I moved to Chittor, but I also realised that for such a venture to succeed, more than one person is needed. So Chittor’s doctors, patients, medicine suppliers and manufacturers, even the state machinery, are all working together. I learned that you cannot have a stick method alone for such a cause—you need both carrot and stick. ■

57) who are welcome to participate in the tenders. “Surprise checks” on the cooperative’s medicines show they have “the same results as branded drugs”.

“Except, I believe, in the case of cancer drugs, you’ll get the same treatment and results with generics,” says Ranjit Roy Chaudhury, who runs the Delhi Society for Promotion of Rational Use of Drugs, an NGO that led a similar project in the late ’90s in Delhi’s government hospitals. Chaudhury’s project did not encourage generics—it was too premature for that, he says. But when procurement was centralised and tendering cleaned up, he found 50 per cent of supplies had shifted,

with little effort, to generics, from almost none earlier.

“Seriously, it’s difficult to imagine low medical costs in India without generic drugs,” says Kumar Bikram, a UNICEF official in Chittorgarh who has been working closely with the administration on social sector projects. Other states have tried making drug access easier on the pocket—such as Tamil Nadu—but on bigger budgets, while no concerted effort has been made to supply low-cost drugs countrywide. Sharma has indeed made a start in Rajasthan. What happens to this model when he is posted elsewhere is anybody’s guess. ■