

Stents get cheaper but hospitals might raise other costs

Patients can call NPPA helpline to complain about overcharging

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An angioplasty that cost about ₹1.8 lakh last month may cost only about ₹1.3 lakh now, after the government announced a cap on medical stents. According to government orders, a drug eluting coronary stent that cost ₹80,000 or more should now be available at ₹29,600. But, what if the hospital says that stents are not available? Getting it from a distributor may also prove difficult because many of them have pulled stocks out of the market to try and get a better deal from the manufacturer.

The government's move is aimed at making stents more affordable for the average Indian, but the question remains whether the measure will yield the desired result. On the one hand, the battle is to ensure affordability, and on the other it is to ensure sufficient supply of stents in the market.



At present, hospitals and manufacturers are busy passing the blame on each other.

While hospitals and doctors have told the National Pharmaceutical Pricing Authority (NPPA) that companies are creating a shortage by not supplying high-end stents, companies allege hospitals are not raising demand for high-end stents. State

drug regulators, too, have been told to ensure that all hospitals in their respective states have sufficient supply of high-end stents. The pharma price regulator has also set up a helpline to identify defaulters that include hospitals and manufacturers. However, there are fears that hospitals will now hike rates for room rent, doctor's/surgeon's

charges, operation theatre charges, etc, to make up for the margins they lose due to capping of stent prices.

Coronary stents are covered under health insurance policies because they come under lifesaving drugs. About 70 per cent stents used in India are imported, some of the major manufacturers being Abbott, Boston Scientific and

Medtronic.

Surgeries involving stent procedures have tripled over five years, according to the recent data published by National Interventional Council (NIC).

"In the absence of proper regulatory framework, a patient ends up paying anywhere between 10 to 1,000 per cent more than the actual cost of stent pushing the cost of the medical procedure to around ₹2-2.5 lakh. The cap on prices is with immediate effect and has led to reduction in stent prices by 85 per cent. This move would directly result in the reduction of total procedure cost by around 25-30 per cent," says Abhijeet Ghosh — head health insurance, Bajaj Allianz General Insurance.

According to the notification issued by the pharma price regulator, stents need to be made available to patients at private and government run hospitals at or below the price cap. The NPPA order also states that hospitals have to bill

stents separately. If a hospital says it does not have stents, patients can call NPPA's helpline to lodge a complaint. NPPA is investigating hospitals including Max in Delhi and Lilavati in Mumbai, following complaints of overcharging.

"The move will help reduce the cost of angioplasties and thereby reduce premium for customers. But it needs to be seen how hospitals will react to it," says S Prakash, executive director, Star Health and Allied Insurance.

The cost of stents is just one component. Other components include professional charges, drugs, room rent, doctors' fees, etc, which fall under the procedure and package cost charged by hospitals. Since the mandate of the NPPA lies only in capping the price of the stent and not procedure and package costs, hospitals are likely to tweak those components.

Further, health care experts suggest that this could lead to doctors reusing balloon-catheters and

guide-wires, billing them each time they are put to use. So, while there will be a huge reduction in the cost of stents, the overall reduction in the cost for a health package might not happen to the same extent.

A distributor based in Tamil Nadu says, "I am holding back the high-end stents I have in stock. I am waiting for the company to give me a better deal. Else, I will consider sending the stents back to the company."

NPPA officials, however, feel that the distributor cannot affect the supply chain. Distributors expect a margin of six per cent now as opposed to a margin of 16 per cent before price capping. Insurers are likely to save money as the overall cost to the patient will reduce slightly.

"Insurers may try to negotiate rates for hospital packages. But if the hospital is one with good capacity, it may increase charges of other components," says an insurance broker.

INSURANCE BENEFITS

| Particulars | Current Situation | After implementation |
|--------------------------|-------------------|----------------------|
| Room + nursing charges | 8,000 | 8,000 |
| Doctor + surgeon charges | 45,000 | 45,000 |
| Pharma + consumables | 25,000 | 25,000 |
| Implant | 80,000 | 30,000 |
| OT charges | 15,000 | 15,000 |
| Diagnostics | 10,000 | 10,000 |
| TOTAL | 1,83,000 | 1,33,000 |

This is only for indicative purposes and assuming that hospitals do not increase other charges; numbers (in ₹)