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JAN AUSHADHI SCHEME

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JAN AUSHADHI SCHEME¹

“The poor must have access to affordable medicines; the poor must not lose their lives because of lack of medicines ...That’s why Jan Aushadhi Kendras have been planned across the country”.

Shri Narendra Modi (Prime Minister of India)

Background

Over the years, India has developed a strong capability in producing quality branded and generic medicines in most of the therapeutic categories, evolving from a mere Rs 1,500 crores industry in 1980 to a more than Rs 1,19,000 crores industry in 2012. However, although these medicines are reasonably priced, as compared to the prices of their equivalent medicines in most other countries, yet a large population of poor people in the country find it difficult to afford the more expensive branded category of medicines.

Medicines in almost every therapeutic category are sold primarily as branded drugs, at disproportionately high prices.

There is still a large section of the population which finds it difficult to afford these high-priced medicines. According to World Health Organization estimates (2008), 65% of India’s population does not have access to modern health care. Since 80% of out-patient care and 60% of in-hospital care occurs at private hospitals in India, households are exposed to a private-sector market to buy drugs (Public Health Foundation of India, 2012). According to NSO estimates, upto 79% of health care expenses in rural areas are due to the cost of medicines.

¹ ‘Jan Aushadhi Scheme’ was launched by the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India in November, 2008; The Jan Aushadhi Scheme was accordingly formulated and approved in the Standing Finance Committee Meeting of 01/02/2010 in consultation with the Planning Commission.

This problem gets further aggravated as almost 80% of expenditure on health care is borne by the patients themselves. Thus, access to low-priced generic drugs is very critical in ensuring health care at affordable prices.

INTRODUCTION

With a view to achieve the objective of making available quality generic medicines at affordable prices to all, 'Jan Aushadhi Scheme' was launched by the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India in November, 2008 across the country. The Scheme is being implemented through the Bureau of Pharma PSUs of India (BPPI), under the administrative control of the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India.

In September 2015, the 'Jan Aushadhi Scheme' was revamped as 'Pradhan Mantri Jan Aushadhi Yojana' (PMJAY). In November, 2016, to give further impetus to the scheme, it was again renamed as "Pradhan Mantri Bhartiya Janaushadhi Pariyojana" (PMBJP).

Accordingly, 'ensuring availability of quality medicines at affordable prices to all', has been a key objective of the Government.

The Salient features of the Jan Aushadhi Scheme are:

- i. Making quality medicines available at affordable prices for all, particularly for the the poor and disadvantaged, through specialized outlets called the Jan Aushadhi Stores (JAS).
- ii. Provision of built up space for JAS in district hospitals by the State Governments
- iii. Operation of JAS by the State Government nominated Operating Agencies like NGOs, Charitable Organizations and public societies like the Red Cross Society and Rogi Kalyan Samitis, constituted for the purpose

- iv. Meeting the operational expenditure from the trade margins admissible for the medicines.
- v. Supply of the generic medicines in the first instance by the Central Pharma PSUs so as to ensure both quality and timely supply. However, wherever required, medicines could be sourced from quality small and medium-sized enterprises (SMEs) units.
- vi. To ensure prescription of generic medicines by the Government doctors with proactive support from the State Governments.

The Key objectives of Jan Aushadhi Scheme are:

- i. To make quality the hallmark of medicines by ensuring supplies from the Central Public Sector Undertaking (CPSUs) and also through other Public Sector Undertaking (PSUs) and Good manufacturing practices (GMP) compliant manufacturers in the private sector.
- ii. Extend coverage of quality generic medicines, which would reduce and thereby redefine the unit cost of treatment per person.
- iii. Provide access to any prescription drug or Over the Counter (OTC) drug in all therapeutic categories as generic equivalents, which is not to be restricted to the beneficiaries of Public Health System alone but also to serve others.
- iv. Create awareness through education and publicity that quality is not synonymous with high price
- v. Create a demand for generic medicines “By All for All” by improving access to better healthcare through low treatment costs.
- vi. Involve State governments, Central Government, Public Sector Enterprises, Private Sector, NGOs, Cooperative bodies and other institutions since it is a public welfare programme.
- vii. Develop a model which can be replicated in other countries of the world, in pursuit of their common goal of achieving affordable quality health care.

Benefits of the Jan Aushadhi Scheme Campaign

The Jan Aushadhi initiative makes available quality drugs at affordable prices through dedicated stores selling generic medicines which are available at lesser prices but are equivalent in quality and efficacy as expensive branded drugs. Some comparative advantages are:

- i. Promote greater awareness about cost-effective drugs and their prescription.
- ii. Make available unbranded quality generic medicines at affordable prices through public-private partnership.
- iii. Encourage doctors, more specifically in government hospitals, to prescribe generic medicines.
- iv. Enable substantial savings in health care, more particularly in the case of poor patients, and those suffering from chronic ailments, requiring long periods of drug use.

GOVERNMENT ACTION AND ACHIEVEMENT OF THE SCHEME

At present 1253 Jan Aushadhi Stores/ Kendras have been opened across the country which are covering 29 States/UTs and 419 Districts till 30th April, 2017 (*provided in Annexure I & II*).

For opening **PMBJP**² Kendras in Government Hospitals / Medical College premises, one-time financial assistance up to Rs. 2.50 lakh is provided as per the details given below:

- (i) Rs. 1 lakh reimbursement of furniture and fixtures.
- (ii) Rs. 1 lakh by way of free medicines in the beginning.
- (iii) Rs. 0.50 lakh as reimbursement for computer, internet, printer, scanner, etc.

² **PMBJP**- In November, 2016, to give further impetus to the scheme, it was again renamed as "Pradhan Mantri Bhartiya Janaushadhi Pariyojana" (PMBJP).

For Quality assurance, high quality, medicines are procured from **WHO** Good manufacturing practice (GMP) compliant, Current Good Manufacturing Practice compliant and CPSUs manufacturers for supplying to Pradhan Mantri Bhartiya Janaushadhi Kendras. Each batch of drugs procured is tested randomly at BPPI's empanelled National Accreditation Board for Testing and Calibration Laboratories (**NABL**) accredited laboratories thereby ensuring quality, safety and efficacy of medicines and conformance with required standards. Only after being certified by these laboratories, medicines are dispatched to C&F agents, distributors and Jan Aushadhi Kendras (**JAKs**).

CONCLUSION

The Jan Aushadhi Campaign is a self sustaining business model not dependent on government subsidies or assistance. It is run in a Campaign Mission Mode on the principle of Not for Profits but with Minimal Profits. PMBJP seeks to keep product price within 50% of branded product price to make it affordable for all, especially the poor. It has resulted in substantial amount of savings for the people.

In the Budget Speech of 2016-17, opening 3,000 PMBJP Kendras was announced. As a result of the several actions and initiatives taken by the Government, 2060 PMBJP Kendras are functional in the 31 States/UTs of the country as on 27.07.2017.

This has resulted in substantial savings to common man as prices of generic medicines being sold in the PMBJP Kendras is lower by 50% to 90% of the equivalent branded medicines.

SOURCES CONSULTED

1. Jan Aushadhi Scheme to make available quality generic medicines at affordable prices to all, PIB, dated: 21.07.2015
2. “**Sabka Sath Sabka Vikas**” - Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP), PIB, dated: 12.05.2017
3. **Jan Aushadhi Scheme**: A New Business Plan, Department of Pharmaceuticals,, Ministry of Chemicals & Fertilizers, New Delhi, dated: 26.04.2013

Annexure I

Progress made since the launch of scheme:

Parameter	2008-14	2014-17
Name of Scheme	Jan Aushadhi Yojana (JAY)	Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)
Number of Pradhan Mantri Bhartiya Janaushadhi Kendras operational as on 31st March	2008-09 - 7 2009-10 - 36 2010-11 - 43 2011-12 - 55 2012-13 - 98 2013-14 - 104	2014-15 - 99 2015-16 - 269 2016-17 - 1080 2017-18 - 1253 (Till 30 th April, 2017)
Eligibility conditions of operating agencies	Kendras opened in Government hospitals only	Kendras may be opened outside the premises of hospitals also. Any NGO/ charitable society/ institution/ Self Help groups/ Unemployed pharmacists/ doctors/ registered medical practitioners were made eligible for applying for opening of drug store
Coverage of Scheme – Presence	16 states /UTs	29 states /UTs
Product basket	361 medicines	600 medicines and 154 surgical and consumables
Available medicines	90-100	561 medicines and 128 Surgical
Coverage of Therapeutic Groups	Product basket was incomplete	Product basket covers all 23 major therapeutic categories such as Anti-infective, Anti-diabetics, Cardiovascular, Anti-cancers, Gastro-intestinal medicines etc.
Supplier	PSU's for 138 medicines	PSU's + 125 Private suppliers
Supply Chain Management	Non existent	IT enabled supply chain system Professional agency to manage Central Warehouse.

		8 C&F and 43 Distributors as on date
Trade Margin for Pradhan Mantri Bhartiya Janaushadhi Kendras	16%	20%
Trade Margin for Distributors	8%	10%
Incentive to Private PMBJP Kendras	Rs.1.5 Lakhs	Rs. 2.5 Lakhs
Grant-in-aid to Government PMBJP Kendras	To PMBJP Kendras opened inside Government Hospitals	Has been extended to PMBJP Kendra opened by State government or Government agencies in any government buildings owned by government bodies like Railways/ State Transport Department/ Urban local bodies/ Panchayati Raj Institutions/ Post Offices/ Defence/PSU's etc.
Assistance to SC/ST/Differently-abled persons	NA	The Applicants belonging to weaker sections like SC/ST/Differently-abled may be provided medicines worth Rs. 50,000/- in advance within the incentive of Rs.2.5 lakhs which will be provided in the form of 15% of monthly sales subject to a ceiling of Rs. 10,000/- per month up to a total limit of Rs.2.5 lakh

Annexure II

Pradhan Mantri Janaushadhi Kendras (PMBJKs) functional across States:

S.No.	State/UT	Functional PMBJKs till 30th April, 2017
1	Andhra Pradesh	65
2	Assam	19
3	Arunachal Pradesh	20
4	Bihar	11
5	Chandigarh	4
6	Chhattisgarh	149
7	Dadar & Nagar Haveli	5
8	Delhi	18
9	Gujarat	119
10	Haryana	23
11	Himachal Pradesh	17
12	J & K	18
13	Jharkhand	24
14	Karnataka	38
15	Kerala	193
16	Madhya Pradesh	37
17	Maharashtra	84
18	Manipur	5
19	Mizoram	3
20	Nagaland	11
21	Odisha	31
22	Punjab	31
23	Rajasthan	40
24	Tamil Nadu	53
25	Telangana	22
26	Tripura	8
27	UP	169
28	Uttarakhand	30
29	West Bengal	6
Total		1253

Source: PIB, dated: 12.05.2017