

Analysing the impact of healthcare policies on the pharmaceutical industry

Dissertation submitted to



The IIHMR University, Jaipur

For the partial fulfilment for the award of the degree of
Master of Business Administration (MBA)

In

Pharmaceutical Management

By

SAKSHI VERMA

Under the supervision and guidance of

Dr. Ashok Peepliwal

Associate Professor

School of Pharmaceutical Management

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DECLARATION BY STUDENT

I hereby declare that this discussion named Analysing the Impact of healthcare programs on the pharmaceutical assiduity is the Bonafede record of my original exploration work. I declare that it has not been submitted to any other university or institution for the award of any degree or parchment. Information deduced from the published or unpublished work of others has been properly conceded in the textbook.

Sakshi Verma

Name of student

Date:

CERTIFICATE

This is to certify that the dissertation entitled “**Analysing the impact of healthcare policies on the pharmaceutical industry**” is a record for research work undertaken by **Sakshi Verma** for the award of the degree of **Master Of Business Administration (MBA)** from the IIHMR University, Jaipur under my guidance and supervision and her approach to the research study has been sincere, scientific and analytical.

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Abstract

This study analyses the impact of healthcare policies on the pharmaceutical industry. It explores how healthcare policies affect pharmaceutical companies' operations, pricing, and profitability. The study examines different healthcare policies such as government regulations, drug pricing policies, and healthcare reform initiatives. The research also evaluates how the pharmaceutical industry responds to these policies and adapts to changes in the healthcare environment. The findings of this study provide insights into the relationship between healthcare policies and the pharmaceutical industry, which can inform policymakers, healthcare providers, and pharmaceutical companies in making informed decisions.

Acknowledgement

A task becomes easier when you get moral support and encouragement, and the project would remain incomplete if these names are not listed.

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INTRODUCTION

Medicine plays a very important role in each individual. It is also one of the important factors for healthcare companies. One of the major duties of the government of India is that drug should be that optimal services should be available to the public. It includes medicines that include both brand and generic medicines named. Healthcare products also include biologics, vaccines, and natural health products which are very useful for the health of the individual.

India has a complex healthcare system that includes both public and private sectors playing important places in delivering healthcare services to its population. The Indian government has launched various programs and enterprises to ameliorate the availability, affordability, and quality of healthcare services in the country.

The major policy implemented by the Indian government is the National Health Policy, which was last updated in 2017. The policy aims to provide universal health coverage to all citizens of India, with a focus on the most vulnerable and marginalized populations. The policy emphasizes the need to strengthen primary healthcare services, improve healthcare infrastructure and human resources and promote public-private partnerships in healthcare.

There are various programs launched by the government.

- National leprosy eradication program
- Pulse polio immunization program
- National rural health mission
- National health protection mission
- National health policy

LITERATURE REVIEW

Healthcare policies have a strong impact on the pharmaceutical industry in India. It is crucial for policymakers, market competition, financial performances, and researchers to develop evidence-based policies and strategies that balance access affordability, and innovation.

Examine and synthesize the existing research on the impact of healthcare policies on the industry, focusing on key areas such as pricing and reimbursement, intellectual property, market access, regulation, and market competition.

Healthcare policies implementing price control can lead to lower drug prices impacting pharmaceutical companies' profitability.

Policies have been found to incentives prize reduction and increase price competition among pharmaceutical companies.

Formulation placement and market access have a significant on pharmaceutical companies.

Pharmaceutical companies influence regulatory requirements and approval processes.

METHODOLOGY

➤ Study design –

- **Impact of drugs price control policies on the profitability and innovation**

There is substantial discussion surrounding how policies affect the profitability and creativity of pharmaceutical competition in India. Here are a few examples of how medicine price control laws may affect the success and inventiveness of Indian pharmaceutical firms.

Profitability-Drug price control regulations may result in lower drug costs, which may diminish pharmaceutical company's profits. This can be particularly difficult for businesses that make significant R&D investments. Reduced investment in R&D due to lower profits can have a detrimental influence on the industry's ability to innovate.

Innovation - Drug pricing control laws may have an impact on pharmaceutical sector innovation. Lower profitability may result in fewer investments in R&D, which could have a detrimental effect on innovation. medication price control laws can, however, also help the generic medication market expand, which will boost industrial competitiveness and innovation.

Access to Medicines- Drug price control measures can make medications more widely available to the public, especially to those who cannot afford to purchase pricey medications. In addition to improving public health, this can spur economic growth by cutting government and individual healthcare costs.

Balancing profitability and access - The problem for policymakers is to strike a balance between the need for access to affordable medications for the general public and the necessity for pharmaceutical corporations to be profitable. The pharmaceutical sector needs regulations that support innovation and profitability while simultaneously boosting access to medications.

The profitability and creativity of pharmaceutical businesses in India are impacted in a complicated and varied way by drug price control measures. These regulations may present difficulties for the pharmaceutical industry, but they may also benefit the general populace's health and the economy. The effectiveness of these regulations must be carefully assessed by policymakers to create strategies that support patient access to medications while simultaneously fostering innovation and financial success in the pharmaceutical sector.

➤ Sample selection

The purposive sampling of key information from the pharmaceutical industry, government agencies, and non-governmental organizations involved in healthcare policy development and implementation.

➤ **Data collection**

Sources of collected data are -

- Government reports
- Pharmaceutical industry reports
- Academic research
- Regulatory Affairs

➤ **Data analysis**

Data-driven insights, policymakers can make informed decisions that optimize patent outcomes, ensure the affordability and accessibility of medications, and support the overall sustainability of the healthcare system.

- **Cost-effectiveness and price** - Decisions on pricing, reimbursement, and formulary placement are made by policymakers who are aware of the value of various treatments.

- **Drug Utilisation and Prescription Patterns** - Policymakers can target measures to improve prescribing practices by identifying possible areas of overuse, underuse, or inappropriate use of pharmaceuticals.

- **Comparative Effectiveness Research (CER)** - CER can assist with formulary selections, guide therapy recommendations, and find the most effective and economical treatments.

- **Pharmacovigilance and Safety Monitoring** - To safeguard the public's health, policymakers keep an eye on medication safety, spot new dangers, and put the necessary controls in place.

- **Supply Chain Optimisation:** To ensure a consistent and dependable supply of drugs, policymakers must identify inefficiencies, foresee drug shortages, and establish policies.

- **Patient Access and Equity** - Interventions that support equitable access to necessary pharmaceuticals can be designed by policymakers.

IMPACT OF HEALTHCARE POLICIES ON THE PHARMACEUTICAL INDUSTRY

Healthcare policy has a huge impact on the pharmaceutical which changes the number of operations in the company. It significantly impacted the pharmaceutical companies through healthcare legislation in the following ways:

- **Pricing and Reimbursement:** The prices that pharmaceutical businesses charge for their goods can be significantly impacted by healthcare policies like price caps, reference pricing, and reimbursement guidelines. These rules could put price limitations on companies and affect the profitability of medications in different areas.

- **Intellectual Property and Patent Protection:** The ability of pharmaceutical corporations to maintain exclusivity over their cutting-edge drugs may be constrained by intellectual property restrictions, which may have an impact on healthcare laws and patent protection. Changes to patent laws may have an impact on companies' motivations.

- **Regulatory Requirements and Approvals:** Medical policies provide the requirements for clinical trials, regulatory approvals, and other facets of the creation and application of medications. By lengthening the time, raising the expense, and complicating the process of bringing new pharmaceuticals to market, changes to these laws may have an impact on R&D spending and the rate at which patients can access cutting-edge therapies.

- **Pharmacoeconomics:** Evidence-based medicine and comparative effectiveness research are becoming increasingly important in healthcare policies. Regulators for pharmaceutical businesses may pay more attention to the value and cost-effectiveness of pharmaceutical goods in contrast to alternative therapies. This might affect debates about pricing and market acceptance.

- **Prescription Drug Benefit Programmes:** In the United States, government-sponsored initiatives like Medicare and Medicaid are

Results

The pharmaceutical sector in India has been significantly impacted by healthcare regulations. Policies including health insurance, intellectual property rights, and drug price regulation have all been implemented, and they have both beneficial and negative effects on the sector.

Pricing pressure has been one of the healthcare policy's most important effects on India's pharmaceutical business. The pharmaceutical industry's profitability has declined as a result of government measures to restrict medicine pricing. These regulations have grown, nevertheless, especially for people who cannot afford pricey medical care.

The sector has also been impacted by health insurance policies, which have increased demand for pharmaceuticals and made them more widely available and cheap to the general public. The heightened scrutiny of pharmaceuticals profit margins and prices, however,

Discussion

Competition and innovation stimulate the Indian government to expand the pharmaceutical industry so that it improved the environment. Healthcare legislation has both challenges and opportunities which has a substantial and complex impact on the pharmaceutical sector in India. Healthcare legislation raised the market for both generic and brand medicine.

Conclusion

By analysing the impact of healthcare policies in the pharmaceutical industry, there is both positive and negative impact. the regulations which are launched by the government which include the pricing of medication, health insurance, and intellectual property rights help in the growth of business and innovation the of ideas even if they challenge profitability, market access, and patent protection.

Healthcare policies support the growth of both generic and brand medicine that encourages innovation, competition, reduced drug cost, and improved public health.

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