OFFICE MEMORANDUM

The undersigned is directed to refer Gazette Notifications Nos. S.O. 2668 (E) dated 16th August 2017, S.O. 3987(E) dated 13th August 2018 and S.O. 2934(E) dated 13th August 2019 issued by National Pharmaceutical Pricing Authority (NPPA) to regulate the ceiling prices of orthopedic knee implants for Knee Replacement System.

2. In this connection, it has come to the notice of National Pharmaceutical Pricing Authority that certain Third Party Administrators (TPAs) are not allowing trade margins to Hospitals/Nursing Homes/Clinic on orthopedic knee implants as per the rates prescribed in the Note (r) of the aforesaid Notifications.

3. It is, therefore, clarified that as per Note (r) of the aforesaid Notification, Hospitals/Nursing Homes/Clinics are allowed to add trade margins on orthopedic knee implants as per the rates prescribed in the aforesaid notifications subject to the overall limits of the ceiling prices. It is further clarified that the ceiling prices specified in the aforesaid notifications are inclusive of trade margin.

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