

Pradhan Mantri Bharatiya Jan Aushadi Pariyojana – An Evaluation of Jan Aushadhi Kendra in Mumbai Metropolitan Region

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ABSTRACT

Affordable healthcare remains a significant challenge for many low and middle-income countries, with the cost of medicines constituting a substantial portion of patients' expenses. Despite the implementation of various policy changes aimed at addressing this issue, the expenditure on drugs continues to represent a significant proportion of out-of-pocket healthcare costs. In a country like India, where both state and central governments have implemented policies to mitigate this burden, the uptake of generic drugs, which could significantly reduce spending, has not been effectively promoted. The Pradhan Mantri Bharatiya Jan Aushadhi Pariyojana (PMBJP) is the initiative taken by the Government of India to provide the quality medicines at affordable prices to the poor people. There are very limited studies at present done on the topic of effective implementation of PMBP. So this study is conducted as a Pilot study to to evaluate the effectiveness of Jan Aushadhi Kendras in Mumbai region. Objectives of this study to know the awareness of the PMBJP, viability of kendras, challenges and opportunities in running these kendras and know the employment opportunities under the scheme.

Keywords: Generic Medicines, Branded Medicines, Quality, Cost, Jan Aushadhi Kendra,

Introduction

Generally, the branded medicine are often priced higher than Generic alternatives. While manufacturing the generic medicines, the drug companies used the same active ingredients and shown to exert its pharmacological action as well as adverse effect and being it is as their brand name counterpart. Also, generic medicines have the same quality, strength, purity, and stability as brand-name medicines (as it is bioequivalent to innovator compound) and work in the same way and in the same amount of time as branded medicines⁵.

Generic medicines are cheaper than branded medicines which ultimately reduces the out-of-pocket expenses of the patients.

In India, the vast majority of medications are currently marketed under specific brands or trade names, and these medications are commonly referred to as branded medicines or branded generics. In the Indian pharmaceutical landscape, many pharmaceutical companies produce two distinct types of products based on the same active molecule. The first type is the branded product, which they actively promote and

market through healthcare professionals like doctors. The second type is the branded generic, which they typically rely on retailers to promote within the market.

The term "branded medicines" in India is typically associated with products manufactured and promoted by multinational pharmaceutical companies (MNCs) or well-established Indian manufacturers. In contrast, branded generics, while containing the same active ingredients, are often not actively advertised or promoted by the manufacturers themselves.

It's important to note that the substitution of branded medicines with generics can raise concerns about quality and safety, which is an ongoing issue in the pharmaceutical landscape including doctors, patients, and pharmacists.

The Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana (PMBJP) was launched by the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India, with the aim of ensuring the availability of high-quality generic medicines at affordable prices for all. This initiative establishes dedicated outlets called Janaushadhi Kendras, which provide generic medicines to the public.

PMBJP was launched with the vision to bring down the healthcare budget of every citizen of India through providing Quality generic Medicines at Affordable Prices

Objectives of the Pariyojana: • Ensure access to quality medicines for all the section of the population especially for the poor and the deprived ones. • Create awareness about generic medicines through education and publicity to counter the perception that quality is synonymous with high price only. • Generate employment by engaging individual entrepreneurs in opening of PMBJP Kendra⁴

Operating on a franchise-like model, the PMBJP invites individual entrepreneurs to apply for establishing and managing these Kendras. As on 31 January 2024, 10607 Jan Ausahdi Kendras are operational nationwide. The PMBJP offers a wide range of products, including 1965 drugs and 293 surgical equipment, all of which are sold at retail shops at significantly reduced prices compared to branded medicines, typically ranging from 50% to 90% cheaper.

Salient features of the scheme:

The Scheme is operated by government agencies as well as by private entrepreneurs-

- An incentive up to Rs. 5.00 lakh is given @ 15% of monthly purchases made, subject to a ceiling of Rs. 15,000/- per month to the entrepreneurs.
- Also, one-time incentives of Rs. 2.00 lakh is given to the PMBJP Kendras opened in NorthEastern States, Himalayan areas, Island territories and backward areas mentioned as aspirational district by NITI Aayog or opened by women entrepreneur, Ex-servicemen, Divyang, SC & ST in the form of furniture, computer, refrigerator and other fixtures.³
- Jan Aushadhi Medicine prices are 50-90% lower than the branded medicine.
- Medicines are procured from WHO GMP certified manufacturers ensuring the quality of the medicines.
- Each batch tested by the Laboratories accredited by "National Accreditation Board for Testing and Calibration Laboratories" (NABL) to ensure best quality

BENEFITS OF THE JAN AUSHADHI CAMPAIGN

The Jan Aushadhi initiative will make 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.

Promote greater awareness about cost effective drugs and their prescription.
Make available unbranded quality generic medicines at affordable prices through public-private partnership.
Encourage doctors, more specifically in government hospital to prescribe generic medicines.
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 use⁷

Literature Review

Rupesh Rastogi & Virendra Kuma (2018)

The article talks about the benefit to the common man by rephrasing the scheme i.e. PMBJP. The author has analyzed the various factors crucial for the success of the scheme and Secondary data from various sources has been. It been concluded that PMBJP is an important initiative, however many people are unaware of the PMBJP scheme. The awareness has to be increased by advertisement etc.. It would be a major push to PMBJP if Doctors start prescribing generic drugs. The source of the data is secondary and the outcome is based on secondary data which lacks the primary data inputs.

Dr Ankita Kar (April 2021)

As per the study conducted in Cuttack district in Odisha, it states the assessment of the implementation of Jan Aushadhi Kendra. The study highlights the guidelines of writing prescription in generic form by General practitioners would help to some extent curb the illegal practices and increase the uptake of generic which ultimately helps to strengthen the roots for opening more and more Jan Aushadhi Kendras

Henry Grabowski (December 2019)

The HATCH WAXMAN ACT serves to balance generic competition with incentives for innovation, providing branded medicines with an exclusivity period of 10-14 years. Following patent expiry and the entry of generic alternatives, the price of the medication typically decreases significantly.

The article concludes that outside the United States, countries with reference pricing-based reimbursement systems (such as Germany) or significant price incentive programs for generic prescriptions (like the United Kingdom) experience notable reductions in prices due to generic competition. In contrast, countries like Italy and France, which have strict price regulations for new product launches and decreasing prices over time, coupled with competitive barriers in pharmacy distribution systems, see minimal benefits from generic introduction and competition.

Omotayo Fatokun , Mohamed Izham Mohamed Ibrahim , Mohamed Azmi Ahmad Hassali, (2013)

This paper focuses on exploring the perspectives of Malaysian generic drug manufacturers regarding current policies and practices related to generic demand in Malaysia. The study reveals that enhancing generic knowledge, education, and public awareness could potentially raise the level of generic prescribing in the country.

Objective

The objective of the study is :-

- To study awareness of PMBJP
- To evaluate the viability of Jan Aushadhi Kendra
- To study challenges faced by JAK's in Supply, Demand and on providing medicines at affordable prices
- To study effectiveness of PMBJP on generating employment,

This pilot study aimed to delve into the various challenges and issues encountered by JAKs, while also assessing the level of awareness regarding generic medicines among the patients.

Research Methodology

Research Design – Exploratory

Research Type – Descriptive

Data collection – Qualitative & Quantitative

Sources of data: Primary & Secondary.

Sources of Secondary data: Research articles, Papers, Books & Periodicals, Journals, websites, Newspaper articles.

Primary source data collection:

Method of data collection: Open ended structured questionnaire through personal interviews of owners of JAK's.

Universe: -- JAK's in Mumbai and suburb Region.

Sampling Plan – 124

Sample Size: 23 owners/employees of JAK's

Sampling Technique: Convenient Sampling

Geographical area: Mumbai, Thane, Kandivali, Borivali, Kurla, Ghatkopar, Andheri

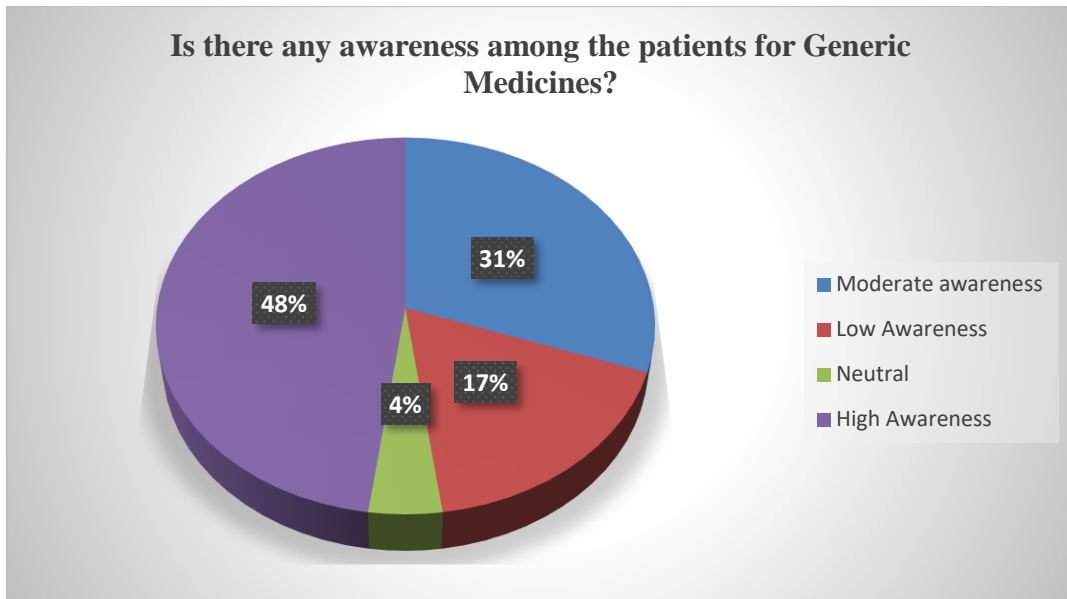
Method employed for data analysis: Through Excel, Bar Diagram & Pie Chart etc.

Data Analysis

A comprehensive study was undertaken involving 26 Jan Aushadhi Kendras (JAKs) within the Mumbai area. Interviews were conducted with JAK representatives located in key areas such as Kandivali, Borivali, Ghatkopar, Kurla, Andheri and Thane. Out of the 26 outlets that visited, 1 shop switched to generic medical shop and other 2 shops were closed down.

Through this investigative process, a clearer understanding was sought regarding the operational hurdles faced by JAKs and the extent of knowledge among patients or customers regarding generic medication alternatives.

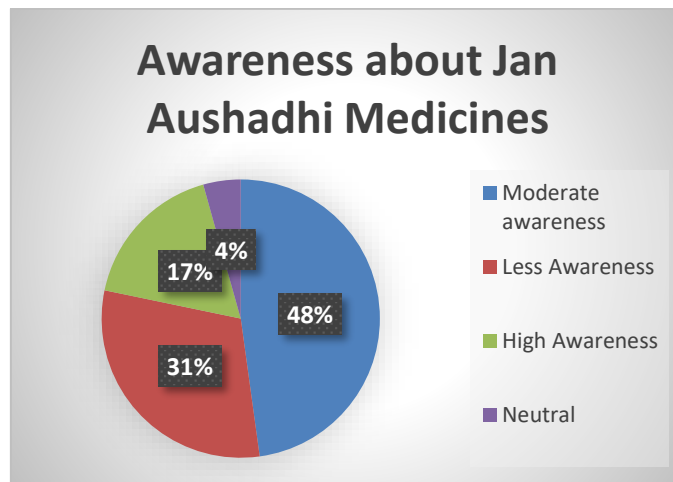
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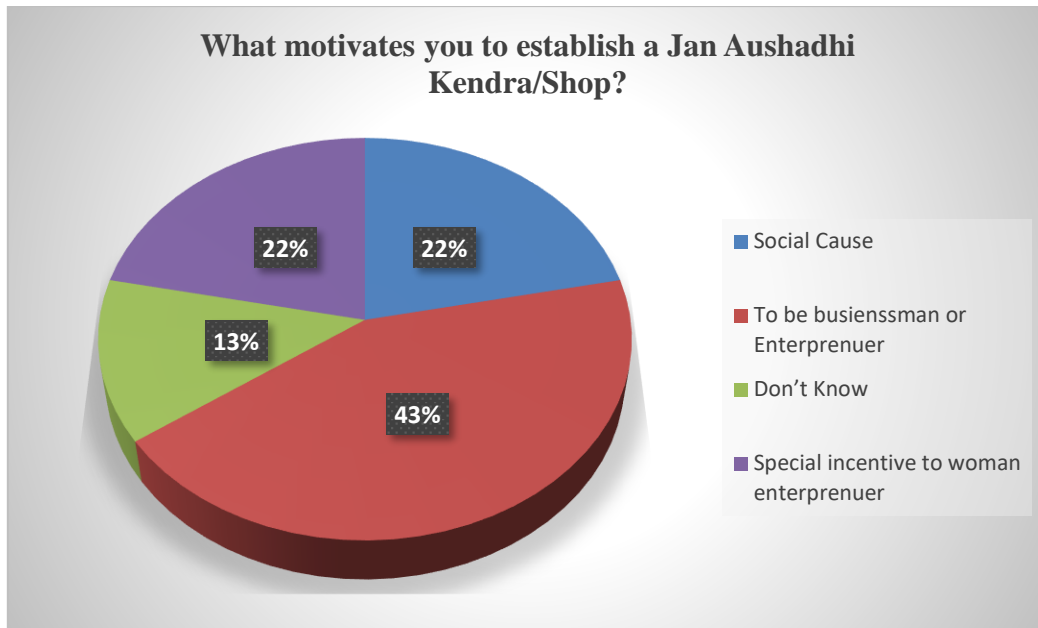
Interpretation

Among the respondent 48% replied of awareness of Generic medicines “HIGH”. 31% respondent reacted to “Moderate” and 17% replied to “ Low” and 4% were “Neutral”

2) In pursuant to awareness of Jan Aushadhi Kendra or Jan Aushadhi Medicnes, 48% of the people responded “ Moderate Awareness”, 31% responded “Less Awareness” , 17% responded as “High Awareness” and 4% were “Neutral”

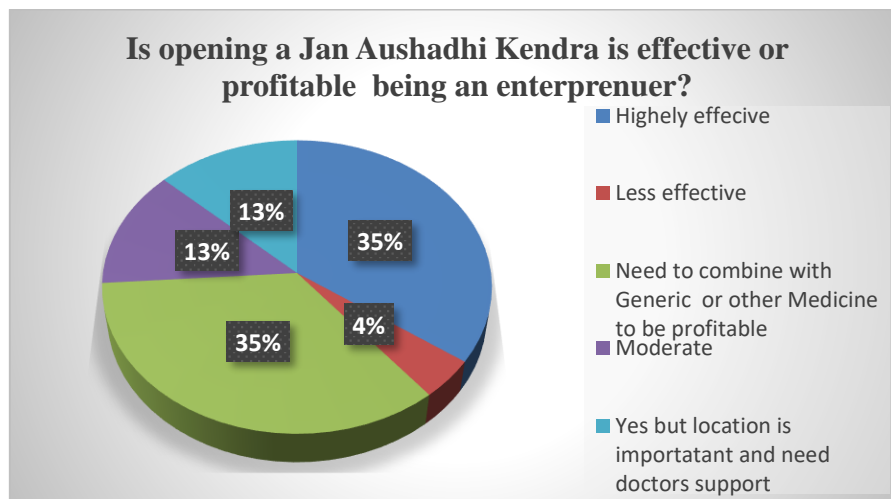


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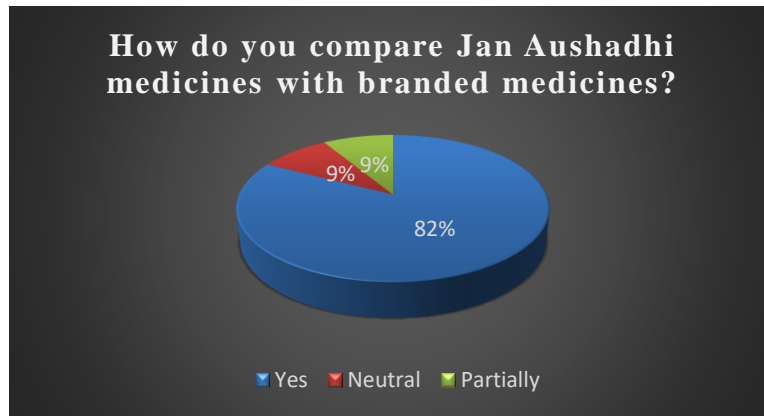


Interpretation : When questioned to JAK stakeholder the reason to start JAK or Shop, 43% responded that they wanted “ To be a businessman or an entrepreneur”. 22% reported that they start this business to avail the special incentive to woman entrepreneur, 22% reported as “ social cause” and 13% reported Neutral.

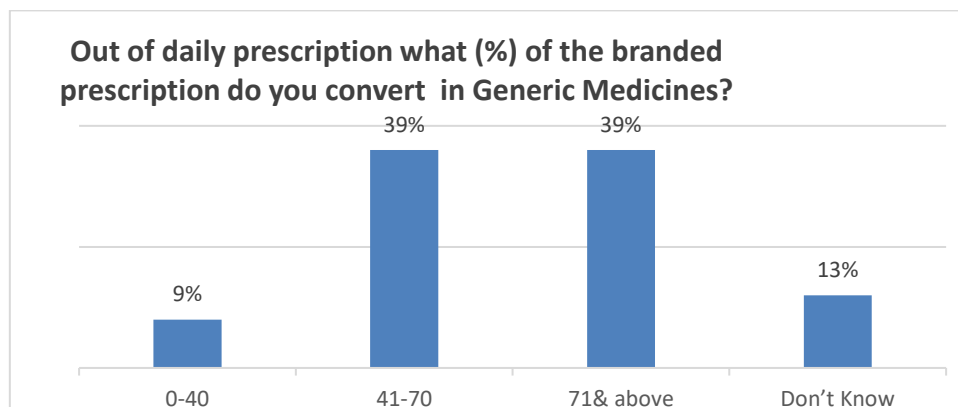
4) In response to question “ if Opening JAK is effective or Profitable business”, 35% affirmed that it is a highly effective and profitable business model. Similarly, another 35% acknowledged its feasibility, particularly when supplemented with other generic medicines.. Additionally, 13% emphasized the significance of location and doctors support in ensuring the success and profitability of Jan Aushadhi Kendra. 13% responded as “Moderate” and 4% reported “Less effective”



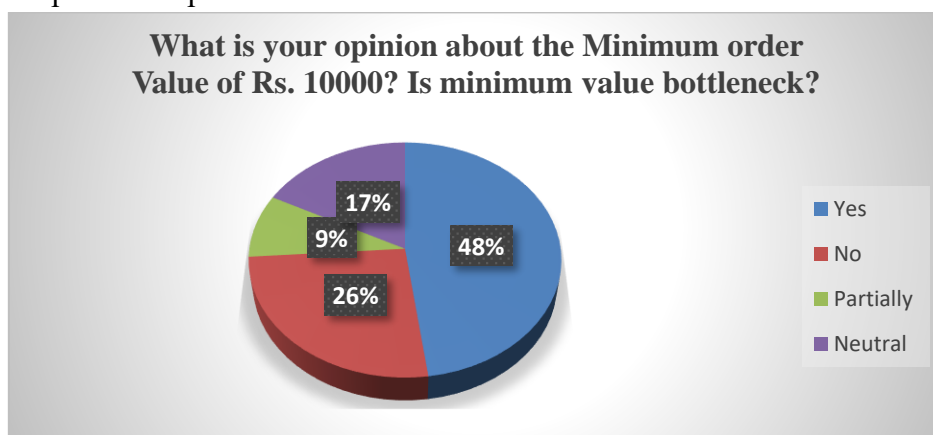
5) If Jan Aushadhi medicines are as good branded medicines, 82% responded replied “Yes”. 9% respondent were Neutral and 9% “Partially “ agreed to the quality of generic is as goods as branded one.



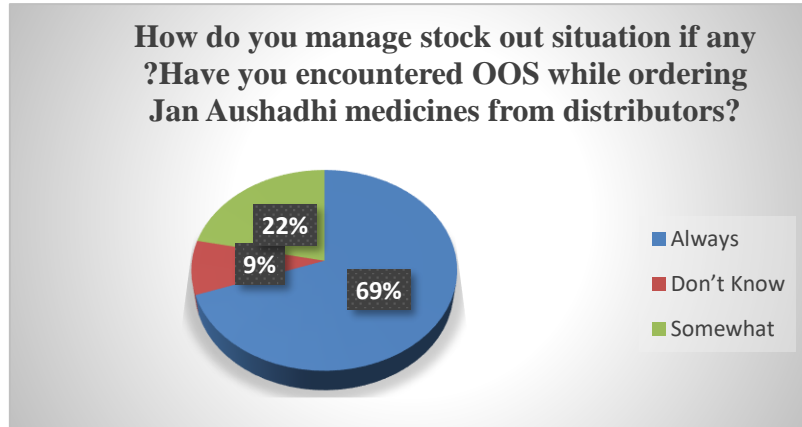
6) With regards to the conversion of branded medicine to generic medication, 39% indicated that up to 70% of the prescriptions they receive with brand names are converted into generic medications. Another 39% respondents reported a conversion rate of 71% and above (ranging between 71-99%). Lastly, 9% respondents mentioned a conversion rate of 0-40% and 13% reported as “ Don’t Know”.



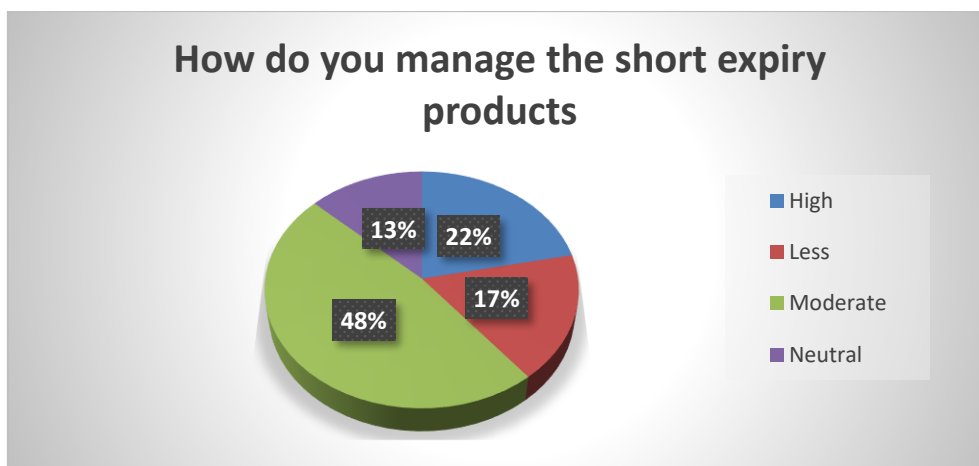
7) With Regards to Minimum Order Value of Rs. 10,000/-, 48% responded replied that it’s the bottleneck while placing the order. 26% replied that “No”. its not the concern. 17% respondent were Neutral. 9% respondent replied “Somewhat”.



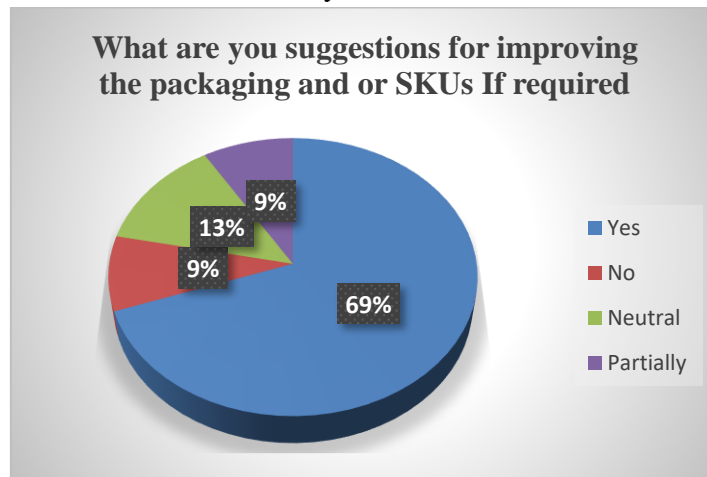
8) With regards to Stock out situation, 69% replied that they “Always” encountered stock out situation, 22% replied that OUT OF STOCK (OOS) situation occurs to certain extent and 9% replied as “Don’t Know”



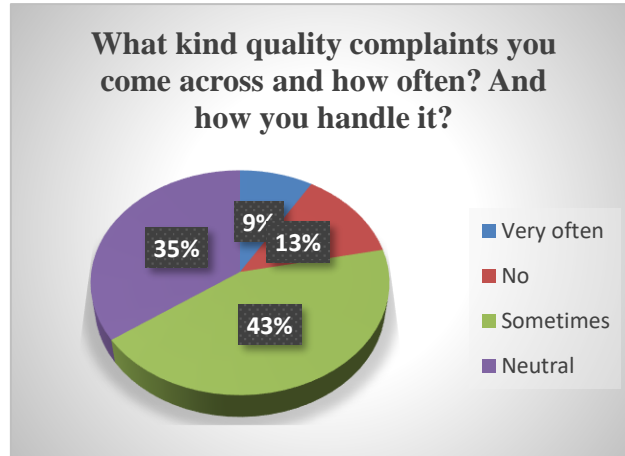
9) sWith regards to the dealing with losses due to short expiry or near expiry medicines, 48% reported “Moderate Loss” due to short expiry goods, 22% reported “High”, 17% reported “Less” and 13% responded as “Don’t know”



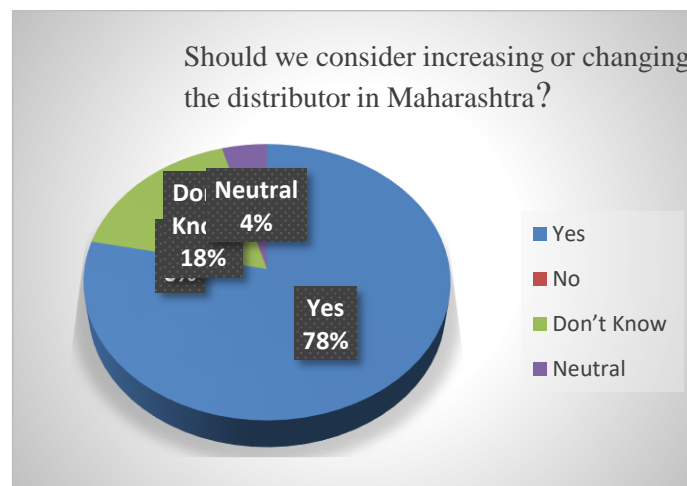
10) When asked about the suggestion to improve packaging, 69% responded that the improvement in the packaging is required. 9% reacted as “Partially” 13% are “Neutral ” and 9% replied “No”



11) When asked about the frequency of facing quality complaint issues such as tablet crushing, capules melt, damage packaging etc., 43% reported “Sometimes”, 35% reported “Neutral”, 13% reported “NO” and 9% responded as “Very Often”.



12)



Findings

- Based on discussions with the pharmacist at JAK and owners, it's evident that awareness regarding generic medicines and Jan Aushadhi alternatives is growing among patients. However, there remains a pressing need to further promote Jan Aushadhi medicines on a larger scale to benefit more patients. This could involve strategies such as advertising, organizing awareness campaigns, or expanding the number of outlets in the area.
- With the mission of opening more and more JAK, when we asked the reason to start JAK, majority of the people are opening JAK to start a business or to become an entrepreneur. Even women entrepreneurs are also taking a initiative to avail special incentive to Woman entrepreneur. Even 22% respondent have opened shop as a social endeavor, driven by the desire to provide affordable medicines to underprivileged individuals and raise awareness about Jan Aushadhi medicines
- Regarding the effectiveness of Jan Aushadhi Kendra as an entrepreneurial venture and the assessment of its profitability, findings from respondents indicate diverse perspectives. The location of the shop is very crucial and plays important role to make is successful. 13% respondent

emphasized the significance of location in ensuring the success and profitability of Jan Aushadhi Kendra.

However, JAKs situated in residential areas such as Kandivali and Borivali rely on grassroots promotion and word-of-mouth referrals to sustain themselves. By actively engaging with the local people and promoting Jan Aushadhi medicines, especially among individuals managing chronic conditions like diabetes, cholesterol, and high blood pressure, these outlets manage to establish a steady customer base and ensure ongoing viability.

Opening JAK is feasibility, particularly when supplemented with other generic medicines. The respondent emphasized the importance of substituting when Jan Aushadhi medicines are out of stock. Despite few Jan Aushadhi Kendra are near the clinics, its very challenging to survive as doctors are reluctant to prescribe the generic medicines. One of the Jan Aushadhi Kendra in Thane area located inside the premise of the Charitable Trust having clinics of various specialist such as Cardiologist, orthopedic etc , still struggle to survive. A significant legal overhaul is imperative to ensure that doctors are not influenced by incentives from pharmaceutical companies. Additionally, dispelling the misconception regarding the quality of generic medicines among both healthcare professionals and the general public is crucial for boosting sales. Therefore, organizing educational campaigns or conducting studies that endorse and advocate for the quality of generic medicines becomes essential.

1. The conversion of Branded Medicine into generic medicines is significant. With the increase in awareness, the acceptance of generic medicine is also increasing.
2. Another significant challenge faced by JAK owners is the issue of goods reaching their expiry dates while on the shelves. Particularly in areas like Kandivali, Borivali, Thane, and Ghatkopar, some JAKs experience considerable losses, amounting to approximately 4-5 lakhs during the initial stages of operation. This loss primarily stems from the non-return policy enforced by the distributor based in Vashi, Maharashtra, regarding goods nearing their expiration dates.

This is common issues identified among all the shops.

Consequently, it takes a considerable amount of time for these JAKs to reach the break-even point and subsequently turn a profit. Due to the financial strain caused by these losses, many owners are compelled to operate with minimal staff, often employing only one individual, as they struggle to manage additional expenses effectively.

3. Based on feedback gathered from JAN Aushadhi Kendra reviews, a recurring concern highlighted by both employees and owners is the frequent occurrence of medicine shortages, leading to an Out of Stock (OOS) situation. This shortage is particularly prevalent for essential medications that are regularly consumed by patients i.e. diabetic, cholesterol, Sanitary Napkins and hence they have to keep the inventory of other generic medicines to avoid the discontinuation of regular customers
4. Several stakeholders at JAK have expressed concerns regarding inconsistencies in the pack style of medications. These discrepancies encompass variations in packaging style, materials used, blister packaging, and more. For instance, Amlodipine 10 mg obtained from one distributor may differ from that acquired from another, presenting challenges in ensuring patients of the consistency of the product. These alterations can range from changes in PVC color, such as transitioning from brown to transparent, to modifications in pack size (e.g., shifting from 10's to 15's) or alterations in tablet shape (e.g., from round to oval). Most of the respondent replied that there is need to improvise the packaging or SKUs of the strip.

5. Regarding the Minimum Order Value, there's a concern about whether it acts as a bottleneck during order placement, as stakeholders may have to wait to accumulate orders totaling Rs. 10,000. This delay can lead to certain products going out of stock. 48% of respondents agreed that this is indeed a bottleneck. Despite nearing depletion of some products, customers feel compelled to wait until the order value reaches Rs. 10,000, as mandated. Consequently, they substitute out-of-stock items with other generic medicines.
6. As 82% responded are of the opinion that the generic medicines are equally good to the branded medicines. It shows the tremendous confidence among the retail outlets about the quality of the products.
7. Running a profitable business solely with Jan Aushadhi medicines presents significant challenges for entrepreneurs. Frequently, goods are out of stock, leading to patient dissatisfaction due to medication unavailability. JAK can be a successful or feasible fi if it combines with other generic medicines. Keeping only Jan Aushadhi medicines will make the business unviable and non-profitable due to Out Of Stock situation in case of essential medicines.
8. Moreover, there's a risk of patients switching to other generic medicines, causing a disconnect in Jan Aushadhi consumption. To address out-of-stock situations and maintain seamless operations, stakeholders has to stock other generic medicines that can serve as replacements and make the business viable.
9. When it comes to the suitability of Jan Aushadhi Medicines, few complaints are received regarding their effectiveness or suitability, especially during the initial phase of usage or when patients switch to Jan Aushadhi medicines. Following interaction with pharmacists, it becomes apparent that very few patients actually complain about the suitability of the product or its effectiveness on their health. Factors contributing to this may include patient allergies to certain medications, psychological factors, among others.

Recommendations:

1. In order to ensure the effectiveness, feasibility, and profitability of a Jan Aushadhi Kendra (JAK), careful consideration of the location is crucial. The success of these ventures often hinges on strategic placement, particularly in proximity to medical facilities such as Government hospitals or clinics where generic medicines are commonly prescribed. Notably, establishments near prominent healthcare institutions like Sion Hospital, Bhabha Hospital, J J Hospital, Ghatkopar, and Bhagwati Hospital in Borivali have demonstrated significant profitability despite the high rental costs associated with operating in South Mumbai. These thriving JAKs typically experience a high volume of foot traffic due to the presence of patients seeking prescribed medications. Additionally, employing a small team helps manage operations efficiently. Therefore, the location is paramount when establishing a Jan Aushadhi Kendra, directly impacting its profitability and success.
2. As the Lok Sabha elections of 2024 approach, there's a noticeable surge in advertisements for Jan Aushadhi Medicines across newspapers and television. The adoption of Jan Aushadhi Medicines could see a significant boost if patients actively request their doctors to prescribe them. Moreover, substantiating the quality of these medicines with proven data, such as bioavailability or bioequivalence studies, would provide an added advantage. It's essential to ensure that claims regarding the superior quality of these medicines are supported by credible research and evidence *9

3. The persistent unavailability of the essential medicines (OOS) necessitates pharmacists to substitute JAN medicines with other generic alternatives. However, this practice poses a risk of patients opting to switch to different generic medications altogether, potentially impacting their adherence to JAN Aushadhi products. Therefore, it is crucial to enhance the supply chain of JAN Aushadhi.
4. It is imperative to maintain uniformity in packaging across manufacturers when procuring medications from various sources or when initiating tender processes.
5. Relying solely on PMBJP or Jan Aushadhi medicines is not feasible for JAK owners if they aim to run a profitable business successfully. Maintaining a diverse inventory by keeping the inventory of other generic medicines ensures smooth operations and enhances the ability to cater to patient needs effectively.
6. Consequently, it takes a considerable amount of time for these JAKs to reach the break-even point and subsequently turn a profit. Due to the financial strain caused by the losses due to near shelf life expiry, many owners are compelled to operate with minimal staff, often employing only one individual, as they struggle to manage additional expenses effectively. It is recommended that the some portion of the losses due to near shelf life expiry or damaged goods to be reimbursed by the distributor or PMBI
7. Often, stakeholders receive medicines in unsatisfactory or damaged condition, and even distributors refuse to accept returns. Consequently, owners incur losses due to the inability to return damaged stock. Sometimes, gel or cream products arrive damaged, leading to leakage due to inadequate packaging. Consequently, pharmacists are left with stock as distributors often refuse to accept returns. The primary grievance of shop owners stems from bearing the losses incurred due to rejected or damaged stock. Therefore, distributors should accept the return of the goods received in damaged condition.

Conclusion

To make the JAK effective and creates more employment, the government should improve the Supply chain of the medicines to avoid OOS situation. Though few doctors prescribe drug in generic form but to make the JAK successful, all the doctors should start prescribing drugs in generic or salt form. The guidelines for writing the generic form for the private practitioners would also help to some extent increase the uptake of generics in future.

The supply chain of the drugs have to be improved as lots of products are out of stock.

Though few doctors writes drugs in generic name but still the major driving factor for people to access Jan Aushadhi kendras is the cost of the drugs, The reduced cost of the Jan Aushadhi drugs seems to be the driving factors for people to access Jan Aushadhi kendras.

The awareness of generic medicines and Jan Aushadhi medicines among the patients is increasing. But still need to promote Jan aushadhi medicine by organizing campaign, advertising and opening more and more Jan Aushadhi Kendra outlets.

This scheme is very effective for the entrepreneurs, if the shop is open at the right location and should combine with generic medicines if Jan Aushadi medicines are OOS Over time, more poor people have started accessing the Jan Aushadhi kendras which is also found in the survey. There seems a lack of restrictions on the number of stores that should be in an area. The business model needs to be more regulated so that Jan Aushadhi kendras can be there in the remote areas and the poorest of the poor can be benefitted.

Also the most important factor driving people away from the Jan Aushadhi kendras is the perceived lower quality of the cheaper drugs. . The public messaging about the quality of the drugs would help in future uptake of generics. The skepticism regarding the quality and efficacy of Jan Aushadhi medicines is a common tendency among laypeople as the medicines are available at low value compared to other branded medicines. Hence its very keen to arrange an educational campaign or some studies that supports and promote the quality of the generic medicines

There is no expiry settlement policy for the owners, as a result most of the owners who don't have enough financial support run into loss and find it very difficult to sustain.

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