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IN FOCUS

Quick Notification Of
Draft e-Pharmacy Rules
Need Of The Hour

RESEARCH FEATURE

An Idea Whose Time Is Here



THE LAST MILE
Conditions Ripe For
e-Pharmacy Growth
In India



e PHARMACY IN INDIA

PLUS

ROUND UP • MY MARKET • THE PRESCRIPTION



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e-Pharmacy + Offline Pharmacy = Advantage Consumer !

PHARMACIES WERE ONE of the essential services working round the clock during the lockdown. They took the risk of exposure and ensured that patients were not denied access to the required medicine at the shop or delivered at the doorstep of patients. This was the time when government advisories emphasised on home delivery of medicines to maintain social distancing and reduce risk of the infection. Deliveries of pharmaceuticals through e-commerce was included as essential service by the Ministry of Home Affairs in its 24th March 2020 order and also door step delivery of medicines by local neighbourhood chemists in their revenue district by the Ministry of Health and Family welfare vide its 26th march 2020 notification. Even, Ministry of Communication, Department of Posts vide its 7th April 2020 notification directed that medicines shall be supplied at the doorstep of the patients to restrict movement of citizens beyond the designated area to curb spread of corona virus.

India's pharmacies, both local neighbourhood pharmacies and e-pharmacy start-ups ensured the healthcare needs were effectively met during the pandemic as there was a sudden surge in demand for home delivery. Consumers had options to choose between any of these channels according to their location, requirements, availability, and price.

Does this model of Retail Pharmacy - Combination of e-pharmacy and local pharmacies make sense? Will it benefit consumers, eventually? Does it make medicine prices more affordable? Will it benefit the sector in the long term? If the answer to all these are

an overwhelming YES! Then why there is a delay in notifying the e-Pharmacy rules?

E-Pharmacy Draft rules for regulating e-pharma companies in India have already been approved by Drug Technical Advisory Board, the highest expert body for Pharmaceutical regulation in India but are still pending for notification since two years. The growth of the entire retail pharmacy sector and the interests of the consumers at large are being compromised by such delays. Further Competition Commission of India (CCI) suggested that e-pharmacies may spur price competition in the sector and may make healthcare more affordable.

The Corona Virus Pandemic has clearly shown that both physical and digital infrastructure can co-exist to improve accessibility to affordable and quality medicines. Delays on such important public health issues not only deny accessibility and affordability but also choice to the citizens, thus delaying the implementation of universal health coverage.

The voluntary consumer organizations (VCOs) have come together to promote and protect patients in the country from spurious and not of quality standards medicines in the supply chain. The mission is to engage with the government, industry associations and others stakeholders to increase public awareness about the urgent need for regulating e-pharmacies.

Online medical stores in India are fairly new entrants to ecommerce. That's because India adopts a stringent policy for sale of medicines. As you would know, some medicines are available only with prescriptions.

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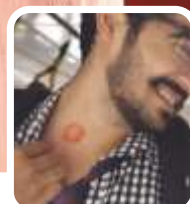
REDNESS



RASHES



PRICKLY HEAT



FUNGAL INFECTION

Message from the Editor-in-Chief

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Making Markets Work

e-Pharmacies Can Enable Competition In Pharmaceutical Supply Chain For Affordable Medicines



IT IS COMMENDABLE to see Government of India's commitment to ensure that its population in a progressive manner has accessibility to universal health coverage through the flagship scheme under Ayushman Bharat. However still majority of the healthcare expenditure is out-of-pocket and a significant proportion of which is spent only on medicines.

One of the reasons for high costs of medicine is the lack of competition in the industry. This is due to several factors. There is an information and decision making asymmetry for the consumers. Meanwhile, doctors to play it safe only prescribe brands, making it difficult for the patients to choose a cheaper, generic alternative. Further, various existing commercial practices are encouraged which do not allow markets to work efficiently in the interest of the consumers. Notably, such practices may not always violate the provisions of any act, but they create conditions that do not allow markets to work effectively and also mute the competition in the sector.

Patients buy medicines out of pocket directly from the private market which puts them under the twin burden of sickness and high healthcare costs.

Competitive markets are an effective means to enhance efficiency, reduce prices and improve quality. It is imperative to identify and address such issues/practices that vitiate market dynamics and

deprive the consumers of the benefits of competition in the form of low prices and assured quality.

Partial regulation of the industry by putting price ceilings on some, but not all formulations of the same medicine listed on the National List of Essential Medicines (NLEM), has further distorted the market.

With the growth of internet connectivity in India, the nation with the second largest internet connected population; many citizens have recognized the importance and possibility of improving the Indian healthcare delivery system by improving the awareness amongst the citizens on safety and quality and also reducing the information asymmetry as discussed earlier.

One of the solutions proposed by Competition Commission of India (CCI) to ensure a competitive market in the pharmaceutical supply chain was encouraging more e-Pharmacies.

As stated by the CCI in its policy note, "Electronic trading of medicines via online platforms, with appropriate regulatory safeguards, can bring in transparency and spur price competition among platforms and among retailers, as has been witnessed in other product segments."



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RESEARCH FEATURE

AN IDEA WHOSE TIME IS HERE



e-Pharmacy in India has a recently minted history – just about five years. But it has proved why it is critical for digital India's health for all vision.



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HORIZONS

e-PHARMACY -
GLOBAL PRACTICES



e-Pharmacy is a high growth sector globally and governments across the world have instituted strict rules of compliance to ensure consumer welfare while providing an enabling environment for the nascent industry to grow.

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INTERVIEW



Prashant Tandon
Founder & CEO, 1mg on the role e-Pharmacy is playing during the pandemic and the changing consumer sentiments that support digital health services.

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MY MARKET

TECHNOLOGIES TRANSFORM
PHARMACY



Latest technologies being harnessed by pharmacies are revolutionizing the industry and e-pharmacies are uniquely placed to lead this change.



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OUT OF THE BOX

A BRIDGE TO HEALTHY INDIA



Aarogya Setu



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IN FOCUS

QUICK NOTIFICATION OF
DRAFT e-PHARMACY RULES
NEED OF THE HOUR



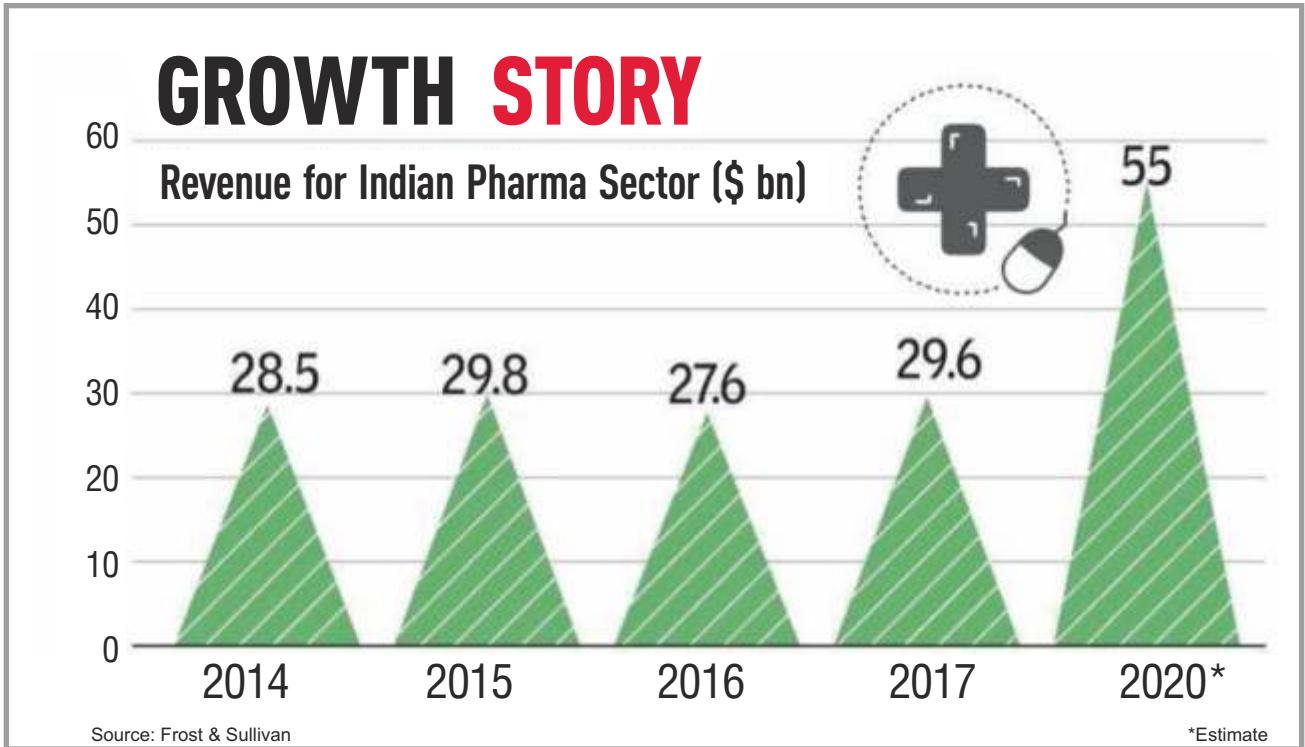
Denying e-Pharmacy a legitimate role in the Indian economy would be foolish given the important role it plays in the country's vision of health for all.

DR. A. DIDAR SINGH
FORMER SECRETARY GENERAL FICCI

As one of the key agenda of the Government has been to provide easy, quality and affordable access of health services to the consumers, I'm sure that the evolving concept of e-Pharmacy will definitely give an impetus to the health sector of the country.



ROUNDUP

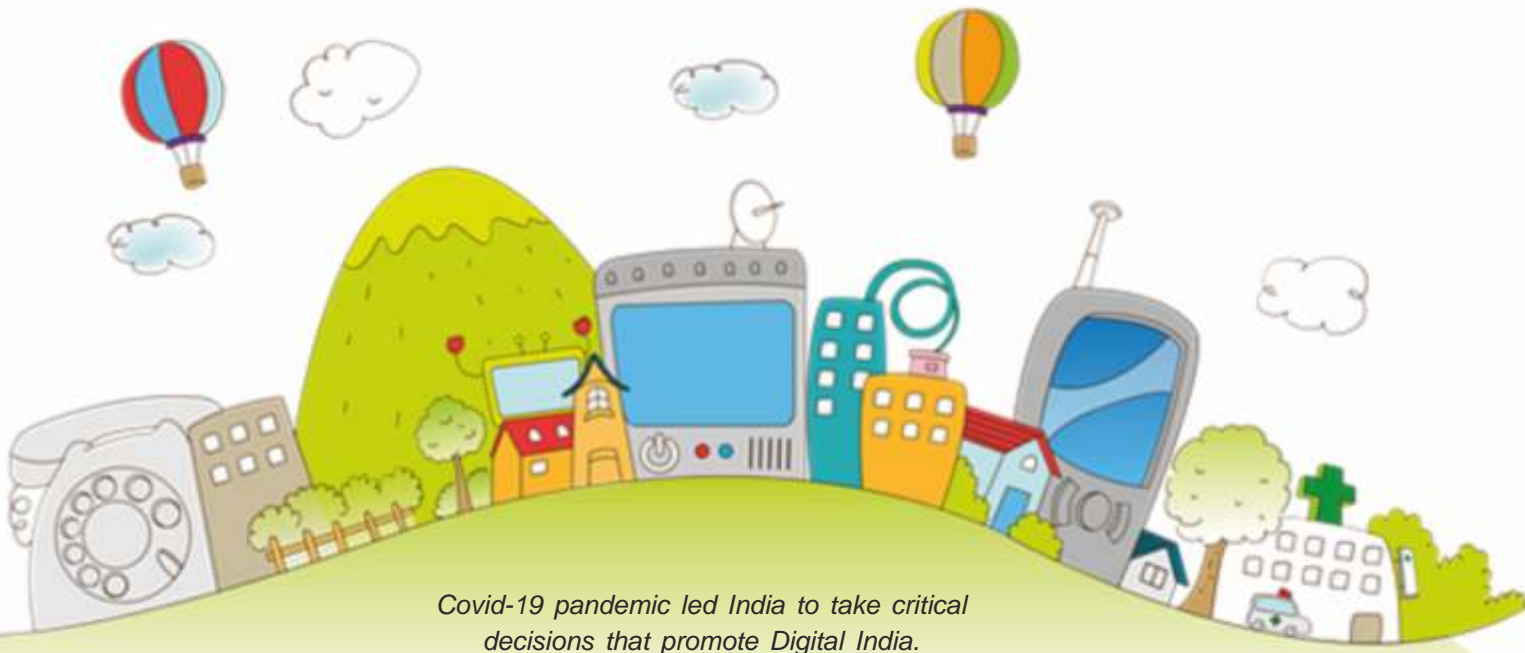


Positive Policy Impetus By Government Towards Digital Healthcare/ e-Pharmacy!

DATA BRIEFING



USD
177,794.9
million -
Expected size of
global e-Pharmacy
market by the
end of 2026.



Covid-19 pandemic led India to take critical decisions that promote Digital India.

IMAGE: PIXABAY

THE GOVERNMENT OF India, after careful assessment of the economic and social impact of to COVID-19 crisis and anticipating the challenges citizens would face confined at home, moved quickly to put in place institutional structures that could make life a little easier for them. One of the critical areas that needed to be addressed with alacrity was healthcare. Ensuring accessibility to health consultation and medication became important concerns. The government made some important and well-required policy announcements in the area of healthcare and medicine accessibility, enabling their accessibility through technology/digital platforms. These policy announcements that came at the right time have been immensely beneficial for the consumers, and at the same time, have provided a much-needed push to the digital/e-commerce companies involved in healthcare and delivery of medicines to patients/customers.

Following are the important policy developments that have taken place:

Pharmacy services through e-Commerce notified as essential services by the Union Home Ministry: The Union Home Ministry, vide order number 403/2020-D, dated 24 March 2020, has specifically mentioned pharmaceuticals as essential goods, and delivery of medicines (pharmaceutical goods) through e-commerce as an essential service.

MoHFW allows doorstep delivery of medicines. Provision of submitting the prescription electronically by patient, also included in the notification: Amid the nationwide lockdown to contain Covid-19 outbreak, the Union Health Ministry, vide notification number

G.S.R.22(E), dated 26th March 2020, allowed doorstep delivery of essential medicines as part of an effort to restrict people's movement further. According to a notification issued by the health ministry, medical retailers will be allowed to provide drugs to people at their doorstep, with the option of submitting the prescription electronically by the patient/customer.

Telemedicine Guidelines Notified by MoHFW: In order to assure, uninterrupted, steady and quick medical services to the citizens, as movement of people has been restricted due to coronavirus lockdown, the government has issued a set of guidelines for telemedicine or remote delivery of medical services. The guidelines have been issued by the Ministry of Health and Family Welfare, in collaboration with NITI Aayog and Board of Governors Medical Council of India (MCI). This notification has also put to rest any legality issues that had arisen in this space, with varying positions of multiple courts and Doctor associations. The sector's legality is well cleared, and now it stands regulated.

e-Pharmacy integrated into Aarogya Setu App by the Government: Aarogya Setu is an important app developed by Government of India, to track and control the spread of Covid-19. Besides its other features, the app also includes facilities for online medical consultations, e-pharmacy and home lab tests. Amitabh Kant, CEO, NITI Aayog had also favorably tweeted about the e-pharmacy, online medical consultation and home lab test features of the Aarogya Setu app (*This feature is presently discontinued by the government, from the Aarogya Setu app*). ▶



Delay In Notification Of E-pharmacy Draft Rules Causing Concern In The Sector: **FICCI**

IN JANUARY THIS year, FICCI raised concerns over the delay in the notification of e-pharmacy draft rules. It stated that this delay was leading to much confusion and stakeholders, who are a part of the digital health ecosystem, are anxious.

FICCI added that though there was no violation of any existing act and rules in current e-pharmacy model, however, the sector was facing constraints with regard to the ease of doing business in an atmosphere of regulatory uncertainty.

The uncertainty in the e-pharmacy sector is due to the pending draft e-pharmacy rules that provide sector specific e-commerce regulations. The draft rules are aimed at harmonizing existing laws/guidelines.

"The delay in the notification of e-pharmacy draft rules is causing confusion and anxiety for all the stakeholders involved in digital health ecosystem," the statement from FICCI said. FICCI pointed out the importance of the e-pharmacy sector.

The e-pharmacy platforms are leveraging technology in innovative ways and with appropriate regulatory control, the sector can add immense value to the existing pharmacy retail industry and the overall healthcare sector.

FICCI said that e-pharmacies in India are complying with the laws of the land. Media reports quoted FICCI e-Pharmacy Working Group Chairperson Prashant Tandon as saying, "All the orders for prescription-based medicines are processed only against a copy of valid prescription and are dispensed by a licensed pharmacy having a registered pharmacist."

According to reports, India has more than 50 startups in e-pharmacy space that are fulfilling the medicine requirements of about 50 lakh patients per month across the country. The sector employees around 30,000 skilled professionals. e-Pharmacy has attracted over Rs 4,000 crore in FDI from some of the top global investors and the industry expects another Rs 2,000 crore in the next two to three years.

Source: Secondary research & media reports





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Consumers, Beware

e-Pharmacy

**Issue Discussed by
Multiple Expert Committees**



Online pharmacies offer ease of access to consumers, but they must be stringently regulated to rule out fraudulent practices.

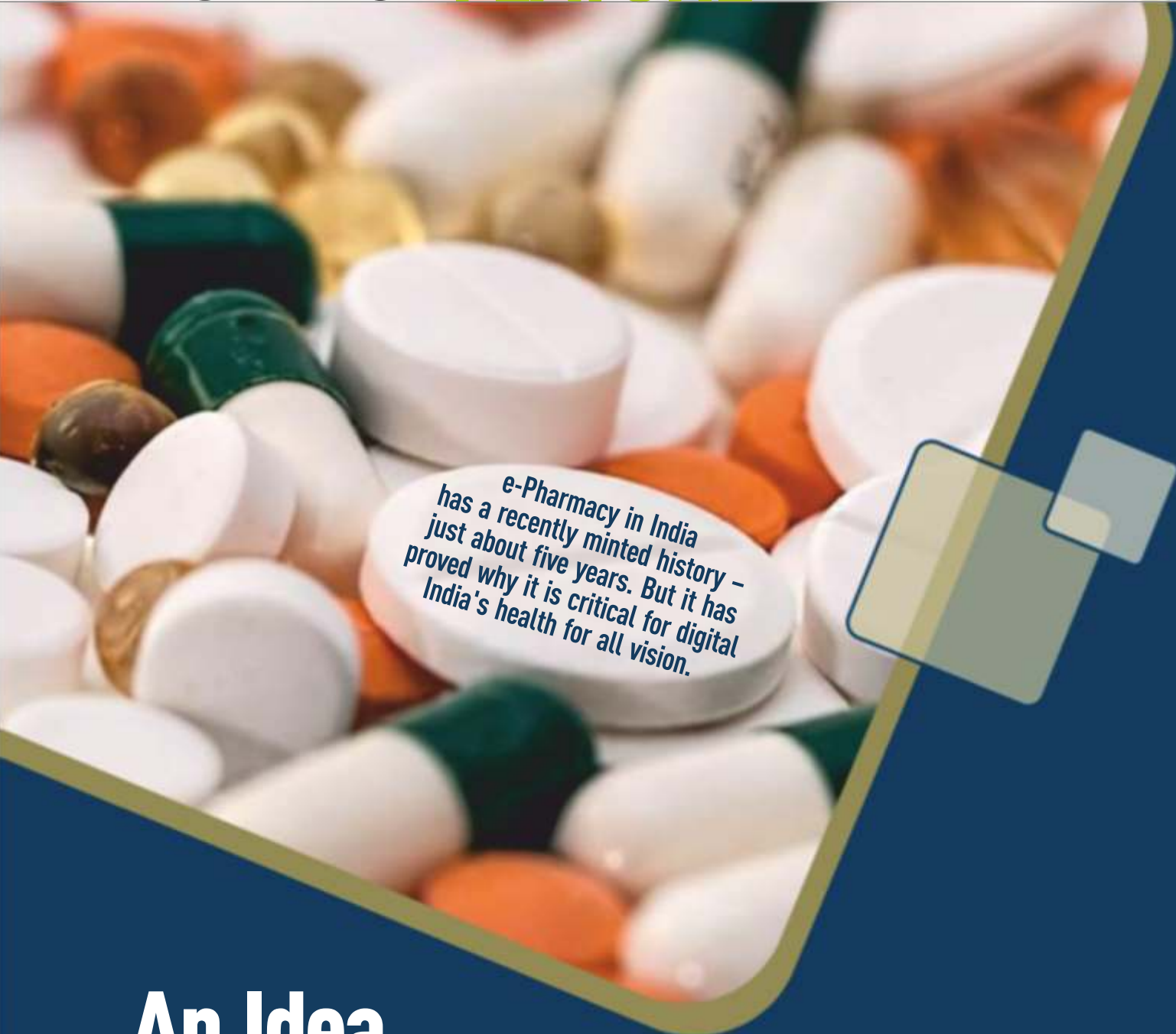
Mentioned below are key regulatory milestones in the e-Pharmacy sector –

- **Public and Stakeholder Consultation :** The process was initiated by DCGI in 2015, an extended process of multi-stakeholder consultation was conducted over the last 4 years, with active engagement of all stakeholders
- **International Consultation on “Patient Safety and Safe Online Pharmacies: India Forum 2017”** 1-2 March 2017. Representation from US FDA, EMEA and Association of Safe Online Pharmacies.
- **DTAB Approves the final e-pharmacy Rules** - on 11th June 2019, Drugs Technical Advisory Board (DTAB), the highest expert body for approving any changes to the Drugs & Cosmetics Act & Rules, approves the draft regulations at its 83rd meeting.
- **DCC Approves the Draft Rules on 6th June 2019**, Drug Consultative Committee, in 56th meeting the draft e pharmacy regulations.
- **DTAB Approves the Draft Rules** - on 29th November 2018, Drugs Technical Advisory Board (DTAB), the highest expert body for approving any changes to the Drugs & Cosmetics Act & Rules, approves the draft regulations at its 81st meeting.
- **MoHFW Publishes Draft Rules for E-Pharmacy** - On 28th August 2018, After several rounds of stakeholder discussions and consultations, the Ministry of Health & Family Welfare, GoI published draft rules for E-Pharmacy. The document was open for public comments and recommendations till 12th October 2018.
- **MoHFW Invites Public Consultation regarding Regulation of Sale of Drugs in the Country** - On 16th March 2017, the Ministry of Health and Family Welfare invited comments and suggestions for formulating the e-Pharmacy draft rules.
- **Emphasis on Developing a Platform for e-Pharmacy at 50th Meeting of DCC** - On 4th and 5th November 2016, Shri KL Sharma (Joint Secretary – Regulation) emphasized on the need to develop a platform for legitimate sale of drugs through e-Pharmacy, at the 50th meeting of the DCC. The Committee accepted the report of the sub-committee constituted to examine the regulations for sale of drugs over internet and recommended that the report should be forwarded to the Government for consideration and further action.

**DTAB
has approved
the Draft
e-Pharmacy rules
in 2019**

- **DCC Sub-Committee Submits its Report** - On 30th September 2016, the sub committee, constituted by the DCC submits its report on regulating the sale of drugs over the internet, under the Drugs and Cosmetics Rules, 1945. The DCC deliberated the matter for having an integrated policy for regulating the sale of drugs via internet and amendments required, if any, under the Drugs and Cosmetics Rules, 1945 for the purpose.

- **Sub-Committee Constituted by The Drugs Consultative Committee (DCC)** - In mid 2016, The DCC constituted a sub-committee to examine the issue of sale of drugs on the internet in the light of practices being followed in the developed countries where such provisions are available for e-pharmacies. The sub-committee was asked to recommend changes that will be required under the Drugs and Cosmetics Rules, 1945 for legitimate online sale of medicines in India. The sub-committee was asked to furnish its report in three months.
- **DCC Considers having an Integrated Policy for Regulating Online Sales of Medicines** - On 48th Meeting of DCC – On 24th July 2015, the DCC considered having an integrated policy for regulating the sale of drugs via internet and suggest amendments, if any, that are required under the Drugs and Cosmetics Rules, 1945 for the purpose. The Committee agreed to regulate online sale of medicines for the overall development of the e-commerce sector and emphasized for an open-minded approach to the matter.
- **DTAB Discusses Distribution of Medicines by e-Pharmacy** - On 22nd April 2015, distribution of medicines by the e-pharmacy service providers through internet was deliberated by the Drugs Technical Advisory Board (DTAB) in its 69th meeting.
- **Online Sale of Medicines in India Discussed at 47th Meeting of DCC** - On 30th & 31st July 2014, the matter of having a regulation for online sale of medicines in India, was discussed in detail at the 47th meeting of the DCC. It was agreed that there should be an open minded approach towards the matter, however the modus operandi has however, to be within the parameters of the provisions available under the Drugs and Cosmetics Rules, 1945 and the supply chains to be maintained to preserve the quality of the drug till it reaches the consumers. ▶



e-Pharmacy in India has a recently minted history - just about five years. But it has proved why it is critical for digital India's health for all vision.

An Idea

Whose Time Is Here

COMPARED TO THE global e-Pharmacy market, which is led by North America and Europe, the e-Pharmacy sector in India is at a nascent stage. A recent Frost & Sullivan white paper on e-pharmacies in India estimated the market to be around \$512 million (~Rs 3,500 crore) in 2018 and is expects it to grow at a CAGR of 63% to reach US \$3,657 million (~Rs.25,000 crore) by 2022.

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e-Pharmacy in India has huge potential and is poised to grow into a very large industry segment. The report says that the sector could account for 15%–20% of the total pharma sales in the country over the next 10 years. This can be achieved by enhancing adherence and access to medicines for the swaths of underserved population, active pharmacist counselling, long term drug compliance for chronic conditions, and cost savings on bills along with doctor consultation support.

Globally, various governments are making e-prescriptions and e-health records mandatory which automatically feed into e-pharmacies for fulfilment. New York is an example where paper prescriptions are totally banned. In China, street side kiosks have gained traction. These are one-minute clinics which customers use for immediate health consultation and medicine dispensing or delivery to home by end of the consultation. There are also e-Pharmacies around the world that offer what is called the PillPack style of dispensing. Here the medicines are pre-packed according to the dosage for the day and the time. The latest technologies like automation at retail end are further allowing e-pharmacies to bring down costs and extend the benefit to customers.

The Indian healthcare scenario provides a ripe market for e-Pharmacy to grow. India has a growing population with increasing medical needs that remain unmet due to a variety of reasons. The digital India push by the government has led to deeper penetration of the internet in the country, rapidly changing consumer behavior as more people log online to shop. The Covid-19 pandemic has further boosted online shopping. As people learn to stay with the virus in the absence of a cure, more are looking for fulfillment of all their needs through online platforms including medicines. India's e-Pharmacy model could be here to stay as more consumers seek safer and more convenient shopping of drugs and medicines from the comfort of their homes.

e-Pharmacy – adding value

The most important role that the e-Pharmacy sector plays is providing ease of shopping to consumers and access to drugs to even those in remote areas. Elderly patients or those unable to step out of the house benefit largely, but so do others as one need not go on a hunt for some



medicine if it is not available at the first pharmacy you step into. Like other e-commerce platforms, e-pharmacies also offers competitive pricing allowing consumers to save a little on the high cost of medicines. The recent technology advancements have also helped bring in price transparency. The value-added features of the online pharmacies allow consumers to update their knowledge, find healthcare service providers, get medicine reminders through apps, among others.

Pharmacy retail is beset with issues as it is difficult to track the functioning of the huge number of stores scattered all over the country. On the other hand, e-Pharmacy is well equipped to tackle these issues as it allows for stricter regulation by the authorities. It is easier to track authenticity of online pharmacies, traceability of medicine, prevent drug abuse, monitor sale and consumption of medicines without prescription, and plug loopholes. Further, unlike physical pharmacies, online pharmacies can be a repository of resources that promote consumer empowerment in healthcare. In digital India, e-Pharmacy is essential to national development as it promotes entrepreneurship, accelerates wealth creation, and above all ensures access to medicines for the larger population through its home delivery model.

How e-Pharmacy works

Consumers are required to upload scanned copy of prescription to place an order for medicines. This can be

done either through mobile or on web platform. A registered team of pharmacists then verifies and checks the order. Only validated prescriptions are to be forwarded to the pharmacy store dispensing the medicines ordered. The web or mobile-based platform is governed under the IT Act 2000. The e-Pharmacy acts as a platform to facilitate consumer and pharmacy store connection.

In the retail e-Pharmacy model, the licensed pharmacists of the store have to check the validity of the prescriptions and the medicines can be dispensed only from a licensed premise in a sealed tamper proof pack to the patient or patient's relative (agent). Any transaction must be backed with proper invoice and must mention batch number of the medicines dispensed, expiry date, name and address of the pharmacy with signature of the registered pharmacist(s). Such a pharmacy store is operated under the oversight of the Drugs and Cosmetics Act & Rules and needs to comply with all the requirements of the act.

Support for government health programs

The Government of India's Jan Aushadhi Program aims at improving access and affordability of medicines to the masses across the country. A key component of the Digital Health Program of the country, Jan Aushadhi under the Digital India Initiative brings immense benefits to the consumers. The e-Pharmacy platform can be used to strengthen the Jan Aushadhi program. If e-Pharmacy is directly linked to the inventory at existing Jan Aushadhi stores, this would help consumers access affordable medicines online. Consumers would be able to find Jan Aushadhi equivalents for brand drugs prescribed by doctors easily. They can even get information about Jan Aushadhi retail stores near their homes.

The rapid mobile penetration has enabled vast sections of citizens to access the internet. Hence, e-Pharmacy can facilitate wider reach of Jan Aushadhi drugs to the last mile. As more consumers become aware of Jan Aushadhi via e-Pharmacy platforms, it will drive more traffic to the Jan Aushadhi stores. This could help tremendously in the success of the program and more importantly, make affordable medicines available to a larger base of needy population.

Another important way in which e-Pharmacy can support government's health initiatives is by strengthening common service centers. There are approximately 250,000 common services centers (CSC) in the country which play a vital role in delivering various e-Health services, like Telemedicine, e-Diagnostics, e-Pharmacy, especially to the rural population. e-Pharmacy can be aligned to CSC's goals of improving delivery of essential health services in rural India by improving access, ensuring efficacy, transparency and reliability of the services at an affordable cost.

Access to medicines

India's growing burden of non-communicable diseases shows that consumers have poor access to primary healthcare and medication. Chronic conditions like diabetes, hypertension, etc., require regular lifelong medication and are expensive. Many patients leave medications due to the high costs involved or their inability to access medication – important reasons for the increasing incidence of various chronic diseases. Lack of access to affordable treatment leads to poor health outcomes and early death. Rising NCDs are impacting the economic growth of the country.

e-Pharmacy can help improve access to medicines in both urban and rural India and by connecting to government initiatives for affordable medicine and healthcare. This can be a life saver for many. The key barriers preventing people from accessing quality affordable medicines in India, like lack of accessibility and availability, lack of affordability and lack of awareness can easily be overcome by integrating e-Pharmacy with e-Diagnostics and e-Healthcare. This three-pronged



approach would enable consumers across the country to access medical services at their doorstep. The online system would also allow tracking, tracing and transparency.

e-Pharmacy – need of the times

The convenience offered by e-Pharmacy to consumers has made it indispensable in the lives of today's digital natives who live fast paced lives with little time to spare. This has boosted the demand e-Pharmacy across the world. The fact that hospitals to insurance companies are also going digital has provided further impetus to online pharmacy with the increasing use of e-prescriptions in hospitals.

For India especially, with its growing population of citizens living in nuclear setups, online healthcare is a life saver. India's young population is scattered all across the country, pursuing professional goals or studies that take them away from their family. There are many elderly too, who are living alone as their children are either in different cities or country. During the lockdown due to Covid-19, several cases surface where the sick elderly or even the young could not access medical facilities or medicines as they were living alone. For such nuclear units, e-pharmacies are dependable services that deliver medicines at the doorsteps.

Regulating e-Pharmacy

Though a nascent industry, looking at the potential of its misuse, the Government of India has laid down some conditions for their operation. All online pharmacies are required to fulfill these criteria before dispensing medicines to a customer. The most important being the requirement for a valid prescription before an online pharmacy can deliver the medicines to a consumers' doorstep.

But it cannot be denied that online pharmacies need their own specific regulation to ensure there are no loopholes being exploited in the existing framework of rules.

The regulation of drugs and medicine is critical to ensure the health and safety of the consumers. In the light of this, the lack of accurate and unambiguous laws and clear guidelines to regulate, monitor and control e-pharmacies, is a cause for concern. It is important that the e-Pharmacy sector too function efficiently with hassle free rules that establish its legitimacy. Currently, the laws are open to varied interpretations with e-Pharmacy players interpreting the rules as per their convenience. The uncertainty on the applicability of these laws to the e-Pharmacy model is open to exploitation. This makes it easy for unscrupulous online players to try to bypass these regulations. There is also a fallacy in the thinking that rules that are meant for offline pharmacies can be applied to regulate online pharmacies too. This can have dangerous consequences and can set a dangerous precedent. The absence of clear provisions for sale of drugs from the internet is a dark hole.

E-pharmacy market in India



Source: Telesivory's Research

The claim that e-pharmacies can be the source for unregulated sale of addictive medicines, has no basis. In fact, this misuse is not exclusive to e-pharmacies. Drugs are sold unregulated and without prescription across the counter too. The unregulated sale of drugs is rather a reflection of the laxity on the implementation of regulation.

Though there are no specific laws for online pharmacies in India, however, it is wrong to say that they are unregulated. The online pharmacies are currently regulated by some clauses of the Information Technology Act, 2000 that regulates some legal aspects of sale of medicines online. The Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 define category X and H of drugs and govern that all pharmacies must ask for a prescription before selling these drugs and label them according to a set format. Online pharmacies too have to adhere to these regulations.

The right approach

Looking at the challenges that e-Pharmacy is facing in India, it is urgent that the government bring in the pending regulations forthwith. In fact, though Niti Aayog had initiated the process of developing a regulatory policy framework by the end of 2017, the lack of consensus among the stakeholders has kept it on hold.

Some of the rules that can help keep e-Pharmacy market in check are:

- Mandatory record of all prescriptions as well as memos.
- Mandatory refusal to patients seeking repeat order for a prescribed drug if the prescription does not carry instructions for repetition from the concerned medical practitioner.
- All consumers seeking Type H or X drugs, must be required to register their mobile numbers as well as



The online pharmacies are currently regulated by some clauses of the Information Technology Act, 2000 that regulates some legal aspects of sale of medicines online.

Aadhaar Card details. This should be in addition to the requirement of a valid prescription for the requested drugs.

- An exclusive central regulatory body should be set up for keep tabs on units of specified drugs sold by online pharmacies.
- Delays in delivery must be factored to ensure that e-pharmacies dispense drugs within the shortest possible timeframe to ensure that consumers do not suffer for lack of drugs.
- It should be the responsibility of the e-pharmacies to not just conduct background checks but also maintain records of it to establish the legitimacy of the retail pharmacies they have in their fold.
- It must be ensured that online pharmacies become platforms for holistic healthcare and promote indigenous Ayush (Ayurveda, Unani, Yoga, Naturopathy, Siddha and Homeopathy) that have a huge role to play in preventive healthcare and the management of non-communicable diseases.
- To make affordable medicines available, online pharmacies must sell generic medicines with tie up

with generic pharmacies.

- Stringent licensing requirements must be instituted and implemented to prevent misuse of online platform.
- The primary duty of e-pharmacies should be providing access consumers in remote areas by linking to remote clinics and establishing supply chains to remote areas.

Conclusion

Online pharmacies are uniquely suited for the evolving lifestyle of a digital nation. India has more than half a billion internet users with most accessing internet on their mobile. In 2019, for the first-time rural users (277 million) outnumbered urban users (227 million) by 10 percent. This effectively obliterated the digital divide that had existed earlier in the country. e-Pharmacy is uniquely placed to reach out to this vast and rapidly growing digital native population and enable their access to medication. If regulated with dedicated laws, e-Pharmacy can help India achieve its goal of health for all by becoming an important support for its health initiatives. ▶

Source: Secondary research & media reports

e-Pharmacy

A Prescription For Digital India



The delay in formalizing of draft rules notwithstanding, e-Pharmacy has proved it is an asset in digital India with its yeoman's service during the pandemic. It is time the sector is given its due.

THE RAPID GROWTH of e-Pharmacy in just a few years brought in its wake a slew of legal tussles and lawsuits opposing the spread of online pharmacies in the country. In the absence of dedicated laws or a regulatory framework to govern the sector, the concerns being raised were, to a large extent, genuine. There was an urgent need to curb illegal and risky transactions as also provide e-Pharmacy sector legitimacy to function unhindered. Thus, in August 2018, the draft regulations came up and defined an e-pharmacy as a "Business of distribution or sale, stock, exhibit or offer for sale of drugs through a web portal or any other electronic mode."

However, two years later, e-pharmacies continue to operate in an environment of uncertainty. Much blame lies at the government's door as the draft rules seem to be stuck somewhere in the bureaucratic web that is preventing it from becoming laws. The absence of clear-cut laws means, the sector continues to attract legal challenges and remains surrounded by uncertainties.

Perceived as a threat

The rapid proliferation of online pharmacies in a span of barely a few years, rung the alarm bells for retail concrete and mortar chemists and druggists. No wonder, at the forefront of the attack on the e-pharmacies in India is the All India Organization of Chemists and Druggists (AIOCD). The bone of contention is the culture of deep discounts adopted by e-Pharmacy. Notably, offline stores have had this long-running feud with e-commerce platforms in the retail sector over this discount model that they say eats away their client base and into their profit. For offline pharmacies too, the chief grouse is that the deep discounts and offers that online pharmacies extend to consumers have adversely impacted the offline sales of medicines.

The fears of losing business to online pharmacies is not unfounded. The offline pharmacists fear that it wouldn't be long before big online players like Amazon, Flipkart and others enter the market drawn by the huge headroom for growth. As per reports, Amazon acquired PillPack in 2018 for \$753 million. It is a full-service plus an online pharmacy that granted it access to all major

US-based pharmacy benefit managers like CVS Caremark, Express Scripts, Optum Rx, Prime Therapeutics, Cigna, MedImpact, and CastiaRX, among others. The fear is that this could happen in India too.

In December 2018, acting on a PIL, the Delhi High Court banned unlicensed online pharmacies from selling drugs and medicines via their platforms. For AIOCD it was a victory of sorts. In December 2019, there were reports that India's top drugs regulator had written to all the states to enforce Delhi High Court directive prohibiting online medicine sales by unlicensed players. This ban is to continue till the court takes a final decision. The court order had spelt out that "once the rules come into play, online pharmacies can start selling the medicines". The court order had spelt out that "once the rules come into play, online pharmacies can start selling the medicines".

Sale continues, but it is perfectly legal

However, the ban did not impact around more than 50 e-pharmacies and till today they are continuing online sale-purchase of drugs, medicines, etc. That does not mean that the online players are skirting around laws

and selling drugs illegally. In fact, these online pharmacists have brick and mortar medical stores that hold perfectly valid license to sell drugs, and are fully compliant to the existing rules, guidelines and standards applicable to e-Pharmacy. The sector is however lobbying for enabling laws under the FICCI e-Pharmacy Working Group.

The industry players feel that lack of a clear policy is an impediment to their growth and that unambiguous laws will put to rest any kind of speculation around the legitimacy and operability of e-pharmacies, thus reducing the legal costs involved in filing petitions and litigation.

Despite the pending notification of official rules, the online pharmacies are offering a host of services to the customers via mobile applications. These include not just medicines but value-added services like online consultation with doctors, location of blood banks and offline health centers and stores, and storage for documents and records online, medical tests that can be done at home, etc.

Turf war

India has an estimated 8 lakh-odd traditional medical stores under the banner of AIOCD. In the last four years,





E-PHARMACY IS THE NEW WAVE IN INDIAN ECOMMERCE

the industry body has been consistently raising its concerns regarding the proliferation of e-pharmacies. It has even approached various courts across different states to protest against e-Pharmacy.

Acting on their complaints, the Drug Controller General of India (DCGI) had formed a panel to look into the issue of online drug sales and had suggested the licensing of pharmacies three years ago. The draft guidelines require e-pharmacies to register with the DCGI for a fee of Rs 50,000. The registration will be valid for only three years.

The draft rules also delineate several stringent clauses to prevent online pharmacies from selling narcotic drugs, tranquillizers, and Schedule X drugs. Further, it also bans them from advertising any drugs on their portals.

The draft rules lay down provisions for periodic inspections and prescribe stringent penalties for any e-pharmacy found to be violating the law.

Importantly, the draft rules provide sector specific legal framework with the aim to harmonize existing laws/guidelines. As per reports, the e-Pharmacy sector has welcomed most provisions of the draft rules.

Why the delay?

Reports say that the draft rules are currently being examined by a Group of Ministers (GoM). However, there are also reports that there are certain provisions that can lead to future litigations unless there is a sound regulatory mechanism in place.

The aim is to bring in laws to regulate telemedicine and e-prescription too, as currently the ambiguity surrounding these means given a written prescription is at the discretion of the doctor. This leads to easy misuse by

customers and e-pharmacies, as customers are only required to tick a box that authorizes a call from the doctor (in the absence of a prescription, there is no way to know which doctor has prescribed the medicines and so the customer can authorize any random doctor) on the medicines ordered. There is no regulation in place to check whether the call actually happens or whether the e-pharmacy is maintaining a digital record of the medicines been purchased. How does the e-pharmacy establish the bona fides of the doctor in the absence of a prescription? This is also unclear.

Though online pharmacies contest the issue saying telemedicine and e-prescription are not within the domain of e-Pharmacy, for the retail offline sellers, this is a ground for raising objections against the sale of medicine online. They contend that e-pharmacies can exploit all these loopholes to dispense fake, expired, contaminated, unapproved or unsafe drugs that could compromise patient health.

Further, the Drugs and Cosmetics Act, 1940, Drugs and Cosmetics Rule, 1945 and Pharmacy Act, 1948, are all inadequate to guide a sector that was not even envisaged when these were formed. There were no computers then and no e-commerce platforms. Further, sale of drugs online in India is not legalized.

The e-Pharmacy sector counters these charges alleging that actual threat to consumers is from the brick-and-mortar medical stores as many of them are small mom and pop kind of stores without qualified pharmacists. Sale of medicines without prescriptions is rampant here and to add to it no records of drugs sold are maintained.

While each side has a point, in the absence of clear laws, the face-off continues.

The winner?

Clearly, it is the e-Pharmacy sector. India's push for digital healthcare under digital India has led to consumers even in small cities taking to shopping online. The pandemic provided a further push to these digital consumers and most realized the value of e-Pharmacy that continued delivering medicines to their doorsteps at competitive prices discounting their own safety. Once consumers logged in to these websites, they also found the many value-added services on offer. From online doctor consultation, blogs on health and nutrition, health insurance to diagnostics that can be conducted in the safety of homes, it was a whole new experience for many. For the multitudes who access internet via mobile applications, this was the most convenient way to shop for medicines.

During the pandemic, e-pharmacies more than earlier filled an important void in the healthcare system. Consumers did not need to step out of their homes for medicines and could continue with their medication for chronic or other ailments and could stay safe. This reach and affordability of e-pharmacies is what should be kept in mind in a discussion around e-Pharmacy.

From connecting patients to authentic laboratories for diagnostics connecting them to doctors and partnering with local brick-and-mortar stores to reach the last mile, the services e-pharmacies provide cannot be expected from offline stores.



Investors flock in

The lack of regulatory clarity notwithstanding, e-Pharmacy is a high growth sector and has attracted over Rs 4,000 crore in investments. Additional investments of Rs 2,000-3,000 crore are expected as soon as the government notifies the rules.

For the investors, India's healthcare sector as a whole is attractive. As regards e-Pharmacy its potential to expand and scale in quick time is a major attraction. Digital health is one of the hottest sectors globally as it is advancing on the back of disruptive technologies.

The largely unorganized health sector in India promises opportunities for digital health players like e-pharmacies as they can plug the existing inefficiencies in the industry and fulfill the demands of a globally aware population that seeks the best possible services in India as anywhere in the world.

Looking at these opportunities, online pharmacies are in a consolidation drive through collaborations, acquisitions and tie-ups. They are partnering with established big players in the hospital sector as also with offline stores in order to expand their reach across the country. The tie-ups are also helping the players to strengthen their distribution and laboratory logistics as also healthcare services, diagnostics and consultation.

Technologies like AI and machine learning are being employed by these platforms to improve interaction with consumers and provide intuitive services based their huge data resources

Conclusion

For India, e-Pharmacy can be an asset as it can help expand citizens' access to healthcare and critical medicines at competitive prices. If regulated properly, it can help the government plug the loopholes in the pharmacy industry and ensure the consumers are not shortchanged. The industry has already proved its worth during the ongoing pandemic as a dependable industry. ▶

Source: Secondary research & media reports





e-PHARMACY

GLOBAL PRACTICES

e-Pharmacy is a high growth sector globally and governments across the world have instituted strict rules of compliance to ensure consumer welfare while providing an enabling environment for the nascent industry to grow.

THE GLOBAL e-PHARMACY market valued approximately around USD 38.05 billion in 2017, is expected to grow with a healthy growth rate of more than 15.20% over the forecast period 2018-2025 according to a market insight report. Another report estimates the initial estimated value of USD 33.71 billion in 2018 to grow to of USD 101.69 billion by 2026 registering a CAGR of 14.80% in the forecast period of 2019-2026.

The major market competitors currently working in global e-Pharmacy market are Boehringer Ingelheim International GmbH, AbbVie Inc., Aurobindo Pharma, Pfizer Inc., Walmart Inc., Walgreen Co., Express Scripts Holding Company, The Kroger Co., L Rowland & Co, DocMorris, Giant Eagle, Inc., OptumRx, Inc., CVS Health, Merck & Co., Inc., Thermo Fisher Scientific.

According to the reports, the global e-Pharmacy market is highly fragmented, and the major players use various strategies such as new product launches, expansions, agreements, joint ventures, partnerships, acquisitions, and others to increase their footprints in this market.

e-Pharmacy market is a way of transaction between pharmaceutical companies and pharmacies. A recent innovation that has emerged as a most convenient way to order medicines, broadly, there are three types of e-pharmacies existing in the market – e-pharmacy, non-organized e-pharmacy and illegal international trade through e-pharmacy.

Various reports identify e-Pharmacy's benefits to common people including consumer convenience, consumer access, consumer education, data records, medicine authenticity among others.

The global e-Pharmacy market is growing on the back of an increasing aging population and the rising prevalence of e-prescriptions as government around the world push digital healthcare agenda in order to cover maximum population under a state healthcare program. However, the growth of e-Pharmacy segment is restrained by the rising number of illegal online pharmacies and the availability of fake drugs online that have cast doubts in the minds of consumers and stakeholders regarding the authenticity of e-pharmacies' operations.

As e-Pharmacy is an evolving segment, different countries have established their own protocols around it. While the US permits e-Pharmacy, it mandates that the e-pharmacies must be domiciled within the US. Further, an e-pharmacy must be registered with the Drug Enforcement Administration (DEA) to dispense "controlled substances", and must be compliant with Federal Food, Drug and Cosmetic Act, Federal Controlled Substances Act, according to a Ficci report. An e-pharmacy is banned from dispensing medications that are not approved by the FDA. The pharmacy is also required to comply with state-specific rules apart from federal rules.

The rules in the US are also very strict around sale of prescription drugs and an e-pharmacy can only sell it to a patient upon submission of valid prescriptions. Further,

only such prescriptions as issued by an authorized medical practitioner are considered to be valid. The rules require e-pharmacies to put in place robust systems that will enable them to verify the validity of even those drug prescriptions that prima facie appear to have been issued by authorized medical practitioners. This is especially required in the case of frequent orders of opioids that might be from a patient who is a drug-abuser and may likely be getting his prescriptions made from an unethical medical practitioner.

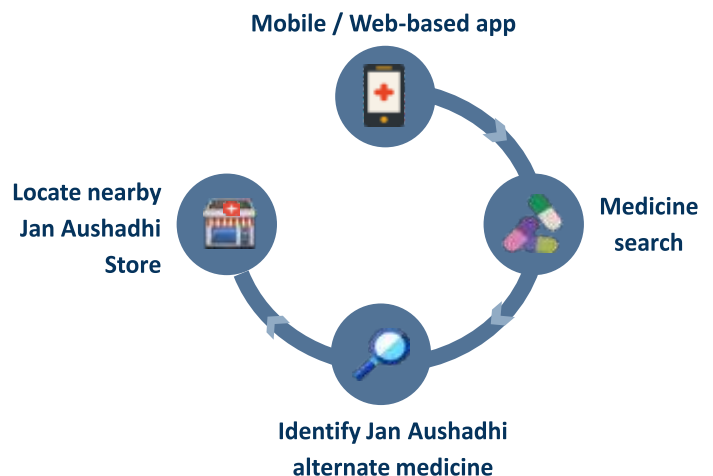
It is also required that e-pharmacies be easily accessible to patients so that in case they have a query regarding dosage, drug type and/or adverse effects post-drug usage, they can immediately get in touch with the concerned e-pharmacy.

According to FDA guidelines, a legal, regulated "e-Pharmacy":

- Requires a valid prescription
- Provides a physical address in the United States
- Is licensed by the state board of pharmacy in the state and the state where the pharmacy is operating
- Has a state-licensed pharmacist to answer patient's question

In Brazil, e-pharmacies can fill online orders, but there are restrictions. Here too, a pharmacy must be licensed in Brazil to be allowed to operate an online pharmacy. It is mandatory for an e-pharmacy to post its ANVISA (Brazilian Health Surveillance Agency) permit number on its website, which provides a link to a searchable database of licensed internet pharmacies. It is also required that these pharmacies must be open to the public, with a pharmacist present during all hours of operation.

e-Pharmacy Model Supporting Government initiatives Jan Aushadhi Program





In Canada too, pharmacies are allowed to fill online orders, but with restrictions. It stipulates that the licensed pharmacy that is selling drugs over the internet must be the website of a brick-and-mortar pharmacy with a physical street address. In other words, only offline pharmacies with a physical presence are allowed to sell drugs online through their website. There is however no national licensure for pharmacies which happens at the provincial level. Health Canada mandates that any licensed pharmacy offering Internet services must meet the standards of practice within its own province.

In Great Britain, an e-pharmacy must be registered with the General Pharmaceutical Council (GPhC) to be allowed to operate. The GPhC has a unique internet pharmacy logo scheme that helps it identify legitimate e-pharmacies. This makes the public confident that the drugs they are purchasing online are from a legal entity and hence it is safe as genuineness of the medicines sold online can be guaranteed. The logo serves two purposes – it acts as a visual means for patients to identify the genuineness of a website as a registered pharmacy, and second, it provides a direct link to the GPhC website. It is a simple means to verify an e-pharmacy as by just clicking on the logo, consumers can access the registration details of both the pharmacy and the pharmacist(s) behind the website.

India's challenges

While the India e-Pharmacy market valued around \$512 million (~Rs 3,500 crore) in 2018 is forecast to grow at a CAGR of 63% to reach US \$3,657 million (~Rs.25,000 crore) by 2022, according to a Frost & Sullivan white paper, there are a lot of challenges it faces that must be dealt with on priority.

Lots of discussion around online pharmacies especially with regard to the policy and regulation governing it have been taking place these past few years.

Yet even after around four to five years since e-Pharmacy first made its appearance in the country, the general public are clueless about how it operates and there is a lot of misconception regarding them.

In the absence of dedicated regulations, there is no way for a consumer to cross check the legality of the entity. The absence of a system of bar coding at manufacturers level tells impacts supply chain negatively as the onus of proving the accuracy of data lies with the retailer. The delay in draft regulations notification has given opportunity to unscrupulous players to establish themselves and this puts at risk hapless customers not just financially but physically as there is no way for them to establish the genuineness of the online pharmacy or the medicines that they dispense. The uncertainty around the rules has also created instability in the market as thousands of workers dependent on the nascent industry are at the mercy of the companies they work for.

The last sector to be impacted by technological advancements, e-Pharmacy faces considerable challenges in the absence of technologically backed cold chain logistic solutions. This makes serving rural areas not just challenging but expensive too. The lack of cold chain logistics and temperature track is hampering access for rural areas and this could defeat the purpose of e-Pharmacy – primarily access and convenience to consumers.

The government must promote this sector given the benefits by bringing more efficiencies across the value chain, establishing processes, regulations and best practices, and implementing them strictly to enforce compliance.

e-Pharmacy is an important stakeholder in the healthcare ecosystem and the government, regulators and the entire health ecosystem including e-Pharmacy must collaborate and work towards the common goal of providing access to affordable healthcare to all citizens. ■

Source: Secondary research & media reports

Draft Rules For **e-Pharmacy** Much Needed Guidance

The Draft e-Pharmacy Rules shed a lot of light on the sector as envisioned by the government. However, all traces of ambiguities must be removed before notification to ensure the sector gets a bump free ride ahead.



THE DEPARTMENT OF Health and Family Welfare under the Ministry of Health and Family Welfare published the draft amendment to the Drugs and Cosmetic Rules, 1945 (the Draft e-pharmacy Rules) on August 28, 2018. The draft rules primarily lay down the requirements and conditions for an entity wishing to sell drugs through an e-pharmacy model. Following this, the government invited objections and suggestions to the Draft e-pharmacy Rules from all stakeholders until October 12, 2018. The feedback from the public would be taken into consideration for finalizing the rules governing this sector.

The Drugs and Cosmetic Rules (the "Rules") formulated in 1945 under the Drugs and Cosmetic Act, 1940 (the "Act") that regulates the import, manufacture, distribution and sale of drugs and cosmetic in India, has been found to be inadequate to govern the e-Pharmacy sector as the Act and the Rules were enacted before the advent of the internet. At the time of enacting these laws, sale of drugs or for that matter any good over the internet was an alien concept.

As e-pharmacies began proliferating, the office of the Drugs Controller General (India) issued a circular on December 30, 2015 stating that the Act and the Rules do not distinguish between the sale and distribution of drugs through conventional means and online. Thereafter, e-pharmacies had to obtain a pharmacy license and comply with the Act and the Rules.

The fact is that despite the Act and the Rules governing e-pharmacies, the sector finds itself hamstrung for want of dedicated laws. For the government too, in the absence of monitoring mechanisms tailored for online drug sale, it is difficult to maintain checks and balances. Therefore, the need for specific rules for regulating the online sale and distribution of drugs as also expeditious implementation of the same.

Key proposals

Some key proposals in the Draft e-Pharmacy Rules are as follows.

Definitions

The draft rules provide a proper definition of e-pharmacy putting to rest the ambiguity surrounding the term. The rules define 'e-pharmacy' as the business of distribution or sale, stock, exhibit or offer for sale of drugs through a web portal or any other electronic mode. Further, an 'e-pharmacy portal' has been defined as a web or electronic portal or any other electronic mode established and maintained by the e-pharmacy registration holder to conduct the business of e-pharmacy. Another important definition is of the term 'sale by way of e-pharmacy'. The rules define this as a sale whether to a hospital, or dispensary, or a medical, educational or research institute or to any other person through an e-pharmacy by way of retail sale.

Registration & other rules

The draft rules also lay down the rules for mandatory registration stating that anyone who wants to engage in e-pharmacy business through an e-pharmacy portal will need to obtain a registration. For this purpose, the individual would require to fill up an application with the central licensing authority. There is also a provision for applying for registration through an online portal. Individuals would need to upload all documents along with the fees as per the draft rules.

The registration to be granted within 30 days if found satisfactory on all accounts would be valid for a period of 3 (three) years from the date of issue.

The application can be renewed, and the registration holder is required to apply for it before its expiry or within



three months from the expiry. In this case, the registration remains valid till an order has been passed on the renewal application. Further, the registered entity must apply for renewal within six months after the expiry, else the registration would be deemed to have expired.

To register as an e-pharmacy an entity must fulfill certain conditions laid down in the draft rules. An important condition is that the e-pharmacy portal through which the business of drugs' sale is proposed to be conducted by the applicant, must be established in India. The entity must also fulfill the requirements of disclosure of information and data localization. This entails keeping all data received from customers, including prescriptions and the details of the patient, confidential. The e-pharmacy entity is barred from disclosing such information to anyone except the central or the state government.

The draft rules also mandate that the registered entity comply with the Information Technology Act, 2000 and associated rules. The rules mandate that the data generated through the e-pharmacy portal must be maintained locally. The entity is barred from sending, storing or mirroring this data by any means outside India.

The draft rules also lay down the procedure for distribution and sale of drugs that the e-pharmacies must adopt. In a step by step guide the rules lay down the process starting with receipt of orders for retail sale through the e-pharmacy portal; followed by verification of patient details and the details of the prescribing registered medical practitioner on the prescription by the registered pharmacist on behalf of the e-pharmacy. Once the validity of the prescription has been established, the e-pharmacy may begin the procurement of the drugs as per the prescription (from any licensed retail or wholesale premises under the Act and the Rules). This must be done in within the time frame that has been communicated to the customer at the time of placing the order. The supply of the drugs to the customer can then be done against a cash or credit memo that must be generated through the e-pharmacy portal. Importantly, the rules require that the online pharmacy must store the memo as a record.

The draft rules require an e-pharmacy entity to establish and maintain a customer support and grievance redressal mechanism for all stakeholders. It should be functional for 12 hours every day. Not only this, there must be a registered pharmacist available to answer the queries of the customers through the customer helpline. The e-pharmacy must also publish the details of this on its portal.

Other details that must be available on the portal include – registration number, the constitution of the entity with details of directors, official logo, details of the logistic service provider, return policy, name of the registered pharmacist, contact details of the e-pharmacy, procedure for lodging grievances and complaints on the portal, and redressal mechanism.

The draft rules also require the registered online pharmacy to maintain and update the crucial information

such as the availability of drugs, types of drugs sold, supply channels or the vendor lists, details of the registered pharmacists, registered medical practitioner (if any) and any other requirements of the Act and the Rules on the e-Pharmacy portal. An e-prescription needs to be uploaded on the portal and maintained for records.

Restrictions and compliance



e-Pharmacy is prohibited from advertising and cannot promote any drugs on radio, television, internet, print or any other media for any purpose. The draft rules also prohibit sale of narcotic and psychotropic drugs as defined under the Narcotic Drugs and Psychotropic Substances Act, 1985, tranquilizers and the drugs specified in the Schedule X of the Rules by an e-pharmacy.

The draft rules provide mechanism for ensuring compliance of e-Pharmacy with the Act and the Rules. It authorizes periodic monitoring of the information maintained by the e-pharmacy portal by the central and state licensing authorities. The authorities can also seek the prescriptions used for dispensing drugs to the customers for audit purposes. Further, the premises from where the e-pharmacy conducts its business will be inspected every two years by a team of officers authorized by the concerned authorities.

Under the draft rules, consumers, in addition to the rights under the Consumer Protection Act, 1986, also have the option to file a complaint to the state drugs controller for any violation of the laid down rules that directly impacts them. For example, supply of non-standard quality, adulterated or misbranded drugs. The drugs controller has the right to take appropriate action under the Act and the Rules to decide the complaint.

Further, the central licensing authority has the powers to suspend or cancel the registration of any registered online pharmacy if found to be in contravention of the



Anyone who wants to engage in e-pharmacy business through an e-pharmacy portal will need to obtain a registration.

rules after providing them an opportunity of being heard. The online pharmacy has a right to appeal against the order of suspension or cancellation to the Central Government in the Ministry of Health, within 45 days from such an order. The order may be confirmed, reversed or modified at this stage. Also, if a license is cancelled for two or more states, the registration granted to such an entity will also deemed to have been cancelled for all purposes.

Some Ambiguities

Experts have pointed to the broad definition of e-pharmacy and feel the wide ambit that it covers may make it difficult to monitor and regulate online pharmacies. Further, the draft rules seem to require a pharmacy already registered under the Act that uses an online model to apply for an e-pharmacy license. They contend that since currently registered pharmacies are covered by the existing Act and Rules, the draft rules would make it a double license requirement.

Another interpretation of the draft rules points out that it is considering only those entities that are directly undertaking sale of drugs and leaves out the marketplace model from its ambit. Since some e-pharmacies are currently operating under the marketplace model, this must be brought under the draft rules. In a marketplace model, an entity provides a technology platform to connect sellers and customers for the sale of drugs. Such aggregator platforms do not own the inventory of the drugs nor do they conclude the sale. Hence some rules would not apply to them. The draft rules do not clarify whether such entities would also need to register.

Further, since the draft rules do not make clear distinctions between a marketplace and an actual seller of drugs, marketplace entities with foreign direct investment even if they get registration under the draft rules will be an e-commerce marketplace under the existing foreign exchange regime in the country. It is

important that an e-pharmacy license should not validate online marketplace as being involved in retail sale if none of the activities of such an entity constitute retail sale.

Since e-pharmacies are already operating in India, the draft rules must spell out the time period within which such businesses must obtain a registration. The draft rules must spell out whether an e-pharmacy under a marketplace model needs to obtain a registration under the new rules. Also, would such an entity need to a license for every state in which it has sales points. Also, would pharmacies that are operational under the existing Act and Rules require an e-pharmacy license for online operations?

While the onus of verification of prescription, patient details, and registered medical practitioner details are on the registered pharmacist, what would be the methodology for it? If these verifications are to be done before dispensing medicines, this will make the process long. How long would the e-pharmacy be required to maintain the details of the patients and the drugs dispensed? These are some of the pertinent questions that need an answer.

The draft rules also do not lay down the conditions under which the e-pharmacies will be required to share the stored information with the central or the state government.

Conclusion

The formalization of the draft rules is urgently needed to regulate and guide the e-Pharmacy sector. Online pharmacies can be the bridge that India needs to make available prescription drugs to every consumer anywhere in the country. While the draft rules bring considerable clarity to the sector, the government must remove any underlying ambiguities to ensure that these do not lead to confusions later. A clearly spelt out regulatory regime will encourage the nascent industry achieve its potential. ■

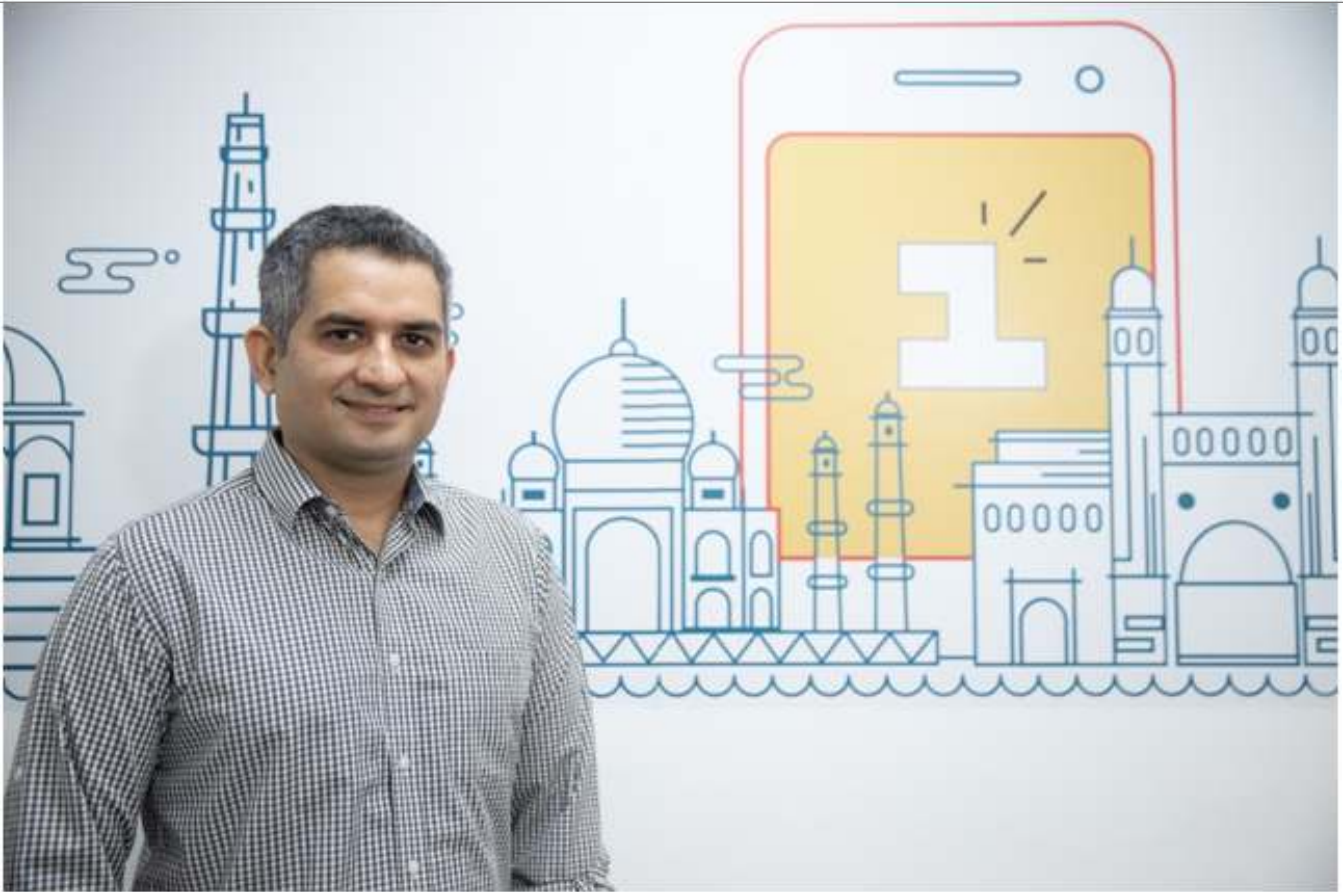
Source: Secondary research & media reports



Prashant Tandon

President – Digital Health Platforms;
Founder & CEO, 1mg
on the role e-Pharmacy is playing
during the pandemic and the changing
consumer sentiments that support
digital health services.

“**India Cannot Solve
Its Healthcare Problems
By Operating The Way
It Has Operated
All These Years**”



Q Were you allowed to operate during the lockdown by Government? If yes, what were the challenges and why you could not perform the way you desired to serve your customers?

Yes, we were allowed to operate during the lockdown since the Union Home Ministry, vide order number 403/2020-D, dated 24th March 2020, has specifically mentioned pharmaceuticals as essential goods, and delivery of medicines (pharmaceutical goods) through e-commerce as an essential service. On-ground practical challenges existed, for which we worked closely with the district administration and with their proactive support, we were able to provide essential medicines to citizens of the country during this crisis situation.

For e-pharmacies in India, it has been non-stop operations on ground since the COVID-19. They have been at the forefront providing lifesaving medicines and all healthcare needs at doorsteps. e-Pharmacies such as 1mg, PharmEasy, Netmeds and Medlife are Indian companies, set up by Indian entrepreneurs, with an aim to improve access and affordability of quality medicines for citizens of India.

Since March 2020, we as group of e-pharmacies have successfully delivered ~6 million pharmacy across ~15,000 PIN codes.

Q What percentage of the capacity are you operating now? How do you propose to increase your capacity to 100%?

At the moment, we are working very close to almost 70-80 percent capacity on an average. We are delivering medicines to almost all serviceable PIN codes at the moment. We are increasing our capacity by onboarding more pharmacy partners and using technology to track the supply chain more efficiently.

Q Has the migration of labor back to their native places affected your business? If yes, why?

Yes, initially we did face challenges in terms of delivery of the medicines, as about 20–30 % delivery staff of our vendor partners and also third-party logistics partners moved back to their native places. But, this has been sorted now, given that workforce engaged in other sectors was available that was looking for work

Q Do patients have a better choice through your services, and as you know your industry is highly dependent on medical practitioners and hospitals, how do you tackle the issue of intermediaries between the patient and your organization?

COVID-19 Pandemic has brought a massive shift in terms of the consumer mindset. Patients have started to realize a lot of value in healthcare technology. Patients now realize that they don't have to expose themselves to undue risk if healthcare can be delivered safely to them. The healthcare facilities, be it hospitals, labs or pharmacies are where a lot of patients visit, thereby many consumers feel unsafe going to these places.



For e-pharmacies in India, it has been non-stop operations on ground since the COVID-19. They have been at the forefront providing lifesaving medicines and all healthcare needs at doorsteps. e-Pharmacies such as 1mg, PharmEasy, Netmeds and Medlife are Indian companies, set up by Indian entrepreneurs, with an aim to improve access and affordability of quality medicines for citizens of India.

They prefer to receive medicines without undue exposure.

India cannot solve its healthcare problems by operating the way it has operated all these years. We do not have enough doctors, enough infrastructure, or enough resources to cater to everybody unless we leverage technology in a really unique way and make it accessible to all consumers. The physical infrastructure will never reach all the consumers. This is a moment for strong fundamental disruption for healthcare delivery at home. Government has recently notified telemedicine guidelines to assure, uninterrupted, steady and quick medical services to the citizens.

Q The quality of medicines to the patients has always been an issue in terms of safety, efficacy, and quality. How do you ensure that the medicines or products delivered by you are from genuine sources, and do you provide any kind of guarantee on the quality to the consumers?

Consumer safety is paramount to us – we are very conservative, organized and disciplined in our approach when it comes to consumer safety. In e-Pharmacy model, transaction and prescription record is available for all the medicines including OTC medicines. In addition, medicines can also be traced back to the channel/ manufacturer/ supplier thereby making the market a lot more transparent. Hence, ensuring authenticity is strictly maintained in an e-Pharmacy model.

The laws against poor quality are stringent, but a non-digitized/cash dominated grey channel ensures poor compliance and accountability. Whereas, e-Pharmacies ensure a fully auditable and accountable supply chain with a full Track and Trace right up to the consumer.

Moreover, there are stringent requirements around vendor on-boarding. Only vendors compliant under the Drugs and Cosmetics Act and possessing other required licenses (such as FSSAI) are on-boarded by the e-Pharmacies. The players dealing with poor quality medicines, out of their own self-interest, stay away from traceable systems and operate in the anonymity of the brick and mortar ecosystem that has non-recorded and cash-based transactions.

Q What are the checks and balances in e-Pharmacy model to prevent any medicine abuse?

e-Pharmacy players of Digital Health Platforms abide by FICCI Voluntary Code of Conduct for e-Pharmacy, and ensure the following checks and balances to prevent any medicine abuse, well above and beyond prevalent practices in Indian pharma retail sector -

- **No requests for sensitive medicines** (Schedule X Drugs, Psychotropics, Narcotics, etc.) are processed through the e-Pharmacy platforms. e-Pharmacy platforms participate in facilitating access to regular chronic medicines (diabetes, high BP) where the user has no incentive to abuse or misuse.

- Every request for medicines has to be accompanied with a valid prescription. All prescriptions and the invoices regarding the dispensation are recorded and available for audit at any point in time.
- The e-Pharmacy portals employ multi-level checks to ensure that the processes are strong:
 - Technology check to ensure Schedule X, Psychotropic and Narcotic Drugs are not allowed to be added to any cart.
 - Pharmacists working with the e-Pharmacy platforms check the prescription and digitize them, and then forward it to the appropriate pharmacy.
 - The registered pharmacist at the partner retail pharmacy then receives the prescription, and dispenses the medicines based on his/ her satisfaction.

Q Are you in favor of a regulation to regulate e-Pharmacies in India?

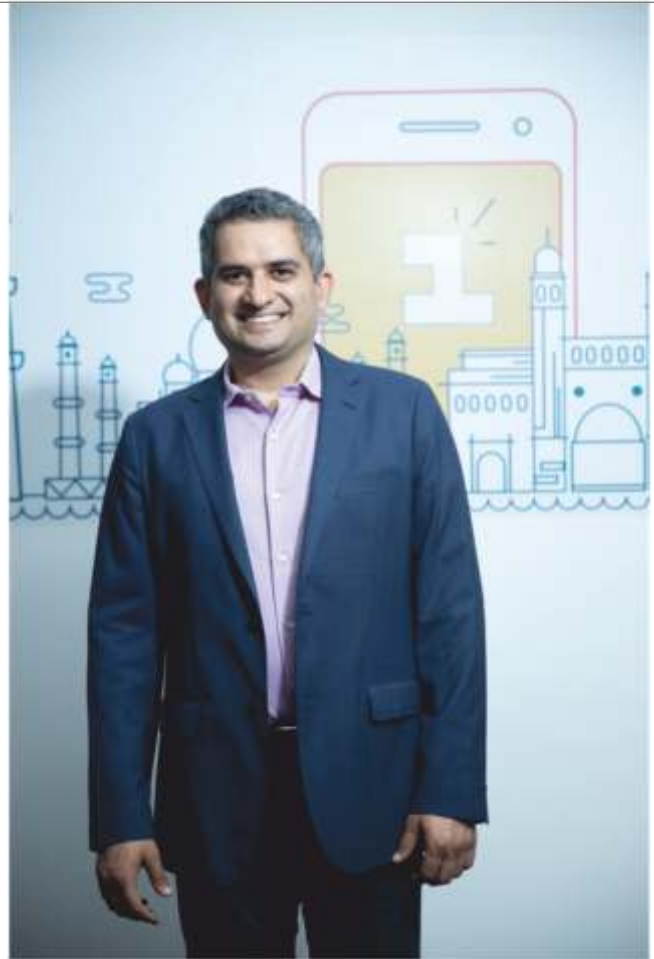
Yes, we welcome the move made by the Government of India to bring e-Pharmacy Rules with an aim to harmonize existing laws/guidelines like IT Act, D&C Act and Rules and PN-2, 2018. This is similar to other sectors like FSSAI Guidelines for E-Commerce Food Operators (FBO Guidelines). However, it is important to note that e-Pharmacy is well covered under existing laws. There is NO violation of any existing act and rules in current e-Pharmacy model.

The process of bringing-out e-Pharmacy Rules was initiated by DCGI in 2015 - an extended process of multi-stakeholder consultation was conducted over the last 4 years, with active engagement of all stakeholders. This issue was discussed multiple times at different meetings of DTAB and DCC since 2015. DTAB (Drugs Technical Advisory Board) has approved the draft rules on 11th June 2019.

e-Pharmacy Draft Rules provide for registration and conditions of registration of e-pharmacies and does not require any new license for online sale of medicines. Sale of medicines will only be undertaken through the physical pharmacy, duly licensed in this regard under existing Part VI of the Current Drugs Rules. e-Pharmacy draft rules, when notified, will not be done to substitute the mechanism under the D&C Act and the D&C Rules, but to ensure stricter compliance of its provisions.

Q Can Regulators take action if there is any Violation by any e-Pharmacy?

Yes, of course. Regulators can and do take all actions under the current laws. It is important to understand the e-Pharmacy model, where-in it is required to have two operating components: (i) Technology Platform – covered under IT act; and (ii) Physical Pharmacy – covered under Drugs and Cosmetics Act and Rules. Final dispensation is always done through a physical pharmacy, which is well covered by the Drug and Cosmetic Act and Rules. If any entity is found violating any condition mentioned in D&C Act and Rules, that entity can be prosecuted under the existing drug act and rules by FDA officers.



Q Today, in India and globally there are several websites selling fake medicines to the consumers and their percentage is very high, but I am not mentioning the percentage because they may not be credible data. How do organizations like yours plan to expose such fake websites selling fake medicines in India and globally, or Indian websites importing from overseas traders/websites?

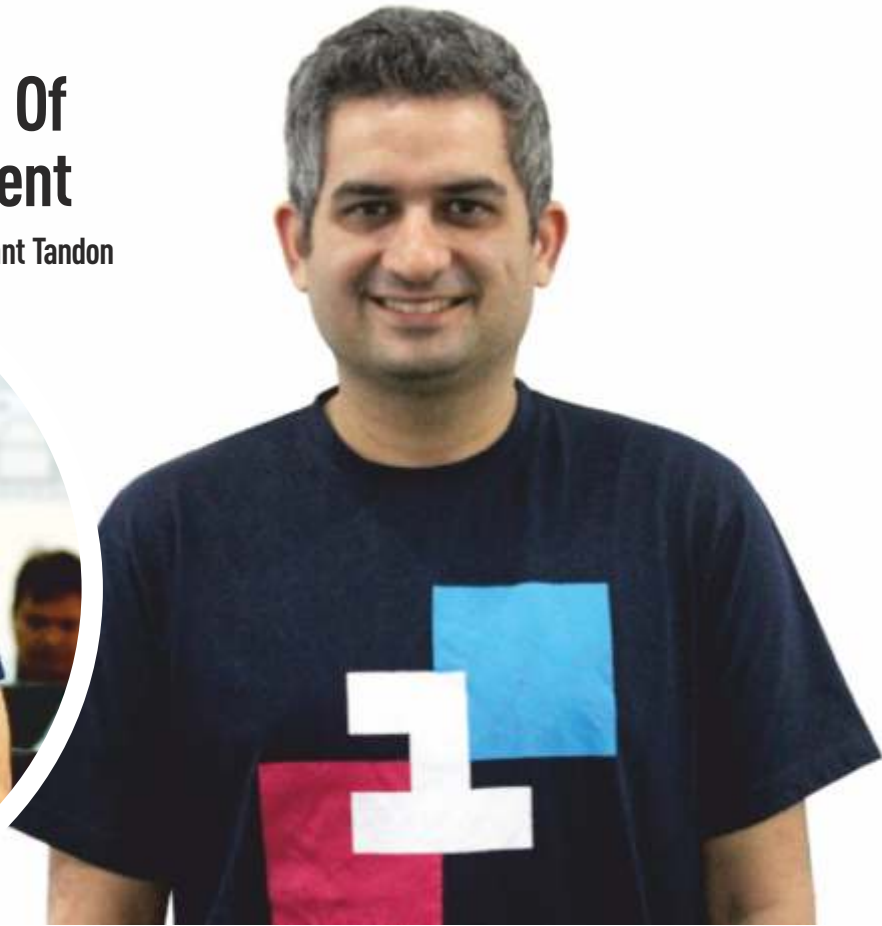
Best way to stop illegal websites is to promote legitimate players. We have proactively asked the Government to create a registry of e-Pharmacies and provide consumer an easy option to buy from legitimate players.

We believe that like EU and US, India should also have a registration of e-pharmacies (as provided for in the Draft Guidelines for e-Pharmacy) so that consumers can validate the e-Pharmacy players that are operating with all details available with the regulator, should they need to contact/ act. This ensures that the websites that are not registered can be identified easier and addressed.

There was an International Consultation on “Patient Safety and Safe Online Pharmacies: India Forum 2017”, held on 1-2 March 2017. The forum witnessed representation from US FDA, EMEA and Association of Safe Online Pharmacies. They appreciated that the e-Pharmacies in India are safer and more compliant with laws of the land, as compared to the prevailing ecosystem

Health-Tech Needs Lots Of Innovation And Investment

– Prashant Tandon



Further, e-Pharmacies in India very effectively manage the menace of spurious and fake drugs. This issue persists in the pharmacy ecosystem since for many retail pharmacies transactions happen without any records, and they do not issue any bill. All consumers should always ask for a valid bill, since most of the low-quality medicines are dispensed without record, and through cash transactions – with no ability to trace back. Aware consumers can demand all retailers to comply since the law provides for stringent penalty for fake medicines, which will not happen if they know they can be tracked, like in a digital ecosystem.

I would further add that all retailers and distributors should modernize and digitize the mechanism of procurement and inventory control of all their operations, and ensure presence of qualified pharmacists to dispense drugs as required by law, and provide detailed tracking to ensure they can give the confidence to the consumer that the medicines are of quality. This will help their business, as well as build consumer trust and confidence

Q What more, in your opinion, could be done by the government to empower the patients to access quality medicines at the most affordable price? What according to you is the way forward for the e-Pharmacy sector, given the present scenario?

e-Pharmacies in the country align very well with the national development objectives and has clear and

tangible benefits to consumers as well as the industry. By leveraging the technology in a smart way and under appropriate regulatory control, the e-Pharmacy sector has a scope of adding immense value to the existing pharmacy retail industry in particular, and the overall healthcare sector at large. Hence, In my opinion, the way forward for e-Pharmacy sector is that Government needs to notify the final e-Pharmacy rules at the earliest, to unleash the role of technology for improving access and affordability of quality medicines.

Also, it is important for the Government to enable competition to make the healthcare affordable. One of the solutions proposed by the CCI in their report of October 2018 “Making markets work for affordable healthcare” was encouraging more e-Pharmacies.

For healthcare sector of the country to evolve and reach greater heights, it is important that the e-Pharmacy model should be explored fully and its benefits should be made available to the Indian consumers In every corner of the nation, as it has become evident during the COVID-19 crisis.

The implementation of a fool-proof e-Pharmacy model needs to be based on the following principles:

- Patient Safety
- Proper Access to Medicines
- Authenticity
- Level playing field with same rules without selective bias. ▶

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AFTERWORD



Pyush Misra
Director,
Consumer Online Foundation

Consumer perceptions around e-Pharmacy are definitely changing for the better. It is time for the online pharmacies to consolidate these gains and work with the government to ease the problem areas.

e-Pharmacies – Changing Consumer Perceptions





THE RAPID GROWTH of e-Pharmacy is a testimony to the gap that exists in the market and that it is helping fill. But what is this gap that the online pharmacies are filling?

E-commerce platforms appeal to the cost-conscious India with their deep discounting models. In fact, the entire model of e-commerce is built around the concept of building traction before transaction. And, to build this traction, they need to attract the consumers used to brick and mortar retail stores to adopt a new way of shopping – online. In order to build a steady flow of shoppers, these platforms, at least in the initial years, sacrifice

profits. The e-pharmacies are no different. The online pharmacies, the big ones specifically, are fund happy as they have big investors backing them. The value proposition they offer consumers is hence more focused on savings on medicine cost that can range from 10 to 25 per cent. This discounting offered on medicines has changed consumer perception as they now think that even medicines could be available at a cheaper price.

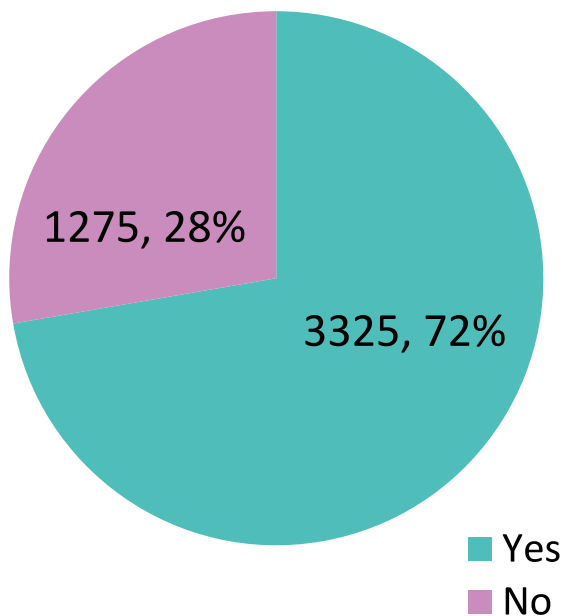
The other change in consumer perception is driven by the convenience offered by home delivery. However, even the local retail chemists are now offering home delivery and loyalty programs that promise consumers some discount on the total bill and this is no longer an exclusive advantage offered by e-pharmacies.

The neighborhood retail chemists also have the advantage of personal touch, experience and immediate delivery. They, in fact, even function as local doctors whom the long-term customers consult for minor ailments and on their advice buy medicines. e-Pharmacy definitely has the advantage of a highly user-friendly technological interface, but most cannot deliver medicines on the same day, which the local pharmacy can.

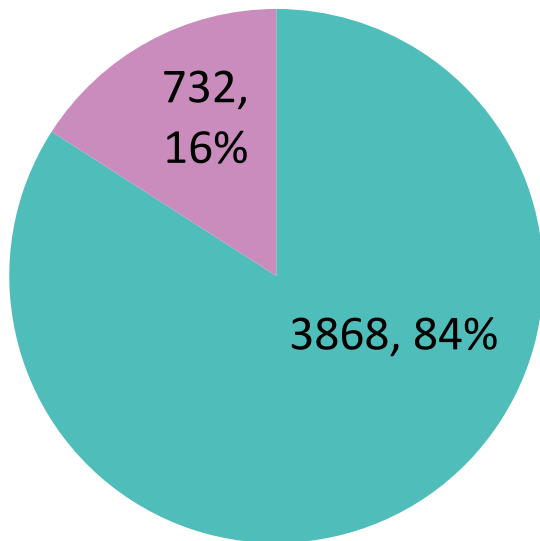
The issue is further complicated by the ignorance of consumers regarding the e-Pharmacy business. Even in the new sector in India, there are three types of models that are predominant – organized, non-organized, and illegal trade models. For the consumer an understanding of the different models is must to be able to distinguish the genuine players from potential frauds. Here's a brief explanation about each.

Organized e-pharmacies: These are the licensed players. In such a setup, there is a team of registered pharmacists to monitor every aspect of the business. They strictly adhere to compliance rules and that means no medicine is dispatched unless the customer provides a valid prescription. These players are also high tech and with the help of latest technologies like Artificial Intelligence and Machine Learning, their pharmacists keep track of every order dispatched. With their advanced monitoring systems, these e-pharmacies can

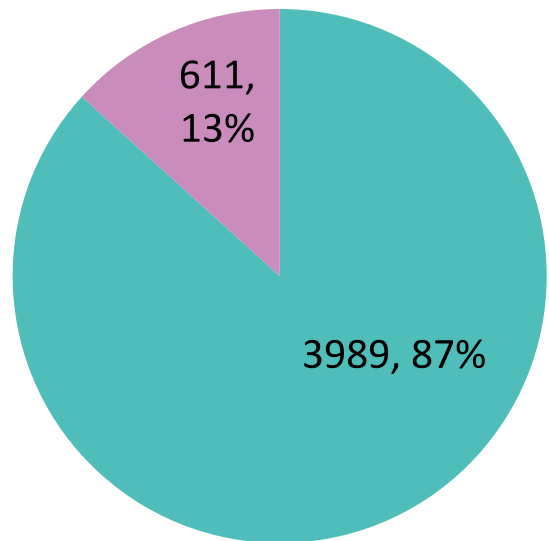
E-bill for Tracking and Reimbursement



Better Price

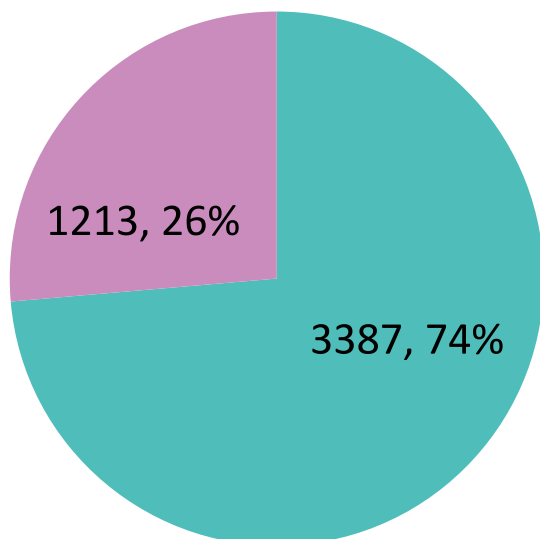


Home Delivery of Medicines

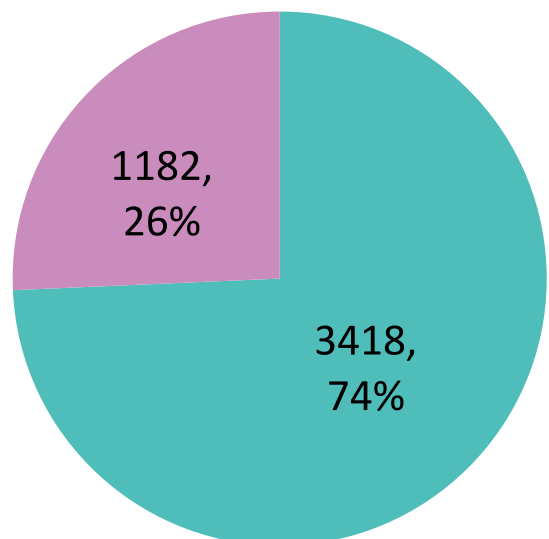


■ Yes
■ No

Choice of Delivery Time & Location

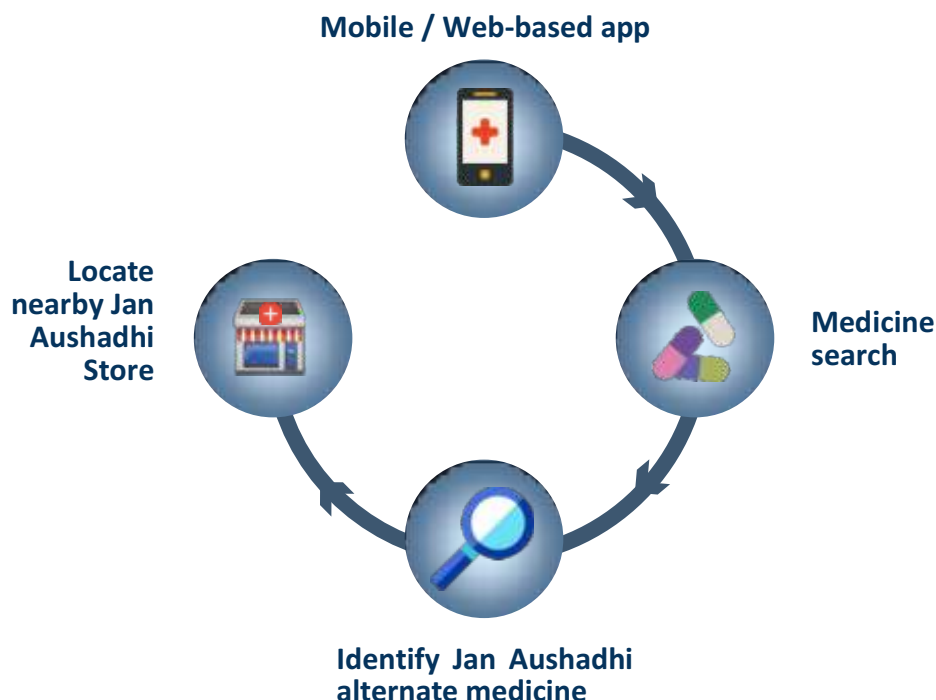


Quality of Medicines



■ Yes
■ No

e-Pharmacy Model Supporting Jan Aushadhi Program



help prevent self-medication, drug misuse and drug abuse. These players also provide information on possible side effects of drugs and caution consumers regarding the steps they must take if this occurs.

Non-organized e-pharmacy: Unorganized e-pharmacies do not have any mechanisms for medicine tracking. They dispense medicines without any prescription and they do not provide any guarantee whether the medicines they sell are authentic or not. Nor do they have pharmacists to monitor the services.

Illegal international trade via e-pharmacy: This is a dangerous model as here illegally shipped drugs are sold across international borders. These e-pharmacies ship medicines to customers without valid prescription and they do not have approval from concerned authorities to conduct such a business.

For consumers hence in the absence of rules, e-Pharmacy is a grey area as they cannot distinguish an illegal entity from a registered one. India must quickly come out with its rules before these dubious players become deeply entrenched in the e-Pharmacy space and kill the business for genuine organized players.

The above analysis shows that it is time for online pharmacies to change their game and educate the consumers on the many advantages that they bring – the gaps that they fill. Thankfully, some consumer perception surveys are already showing rising awareness among them and their willingness to shop at e-pharmacies. It is time online pharmacies seized this opportunity.

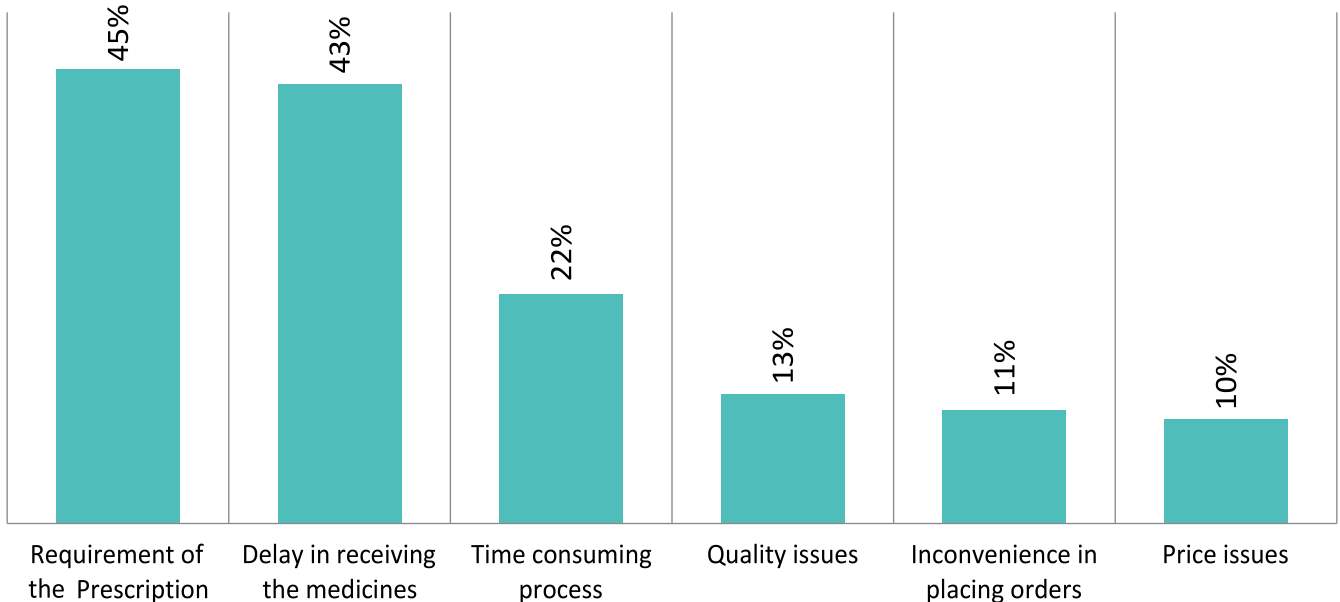
Advantage consumers

For consumers, e-pharmacies offer a host of benefits. Firstly, there is no need to stand in a store waiting for your turn as the order can be placed most conveniently from a smartphone or computer. For the sick and the elderly, or the disabled, e-pharmacies are definitely a boon. According to a consumer survey on perception of e-pharmacies, in which 4600 consumers participated, respondents across all age groups showed receptiveness towards the concept of e-pharmacy. Consumers in the age groups 65 to 70 years and 35 to 44 years showed the highest intent to use e-pharmacy in the future. Respondents aged below 35 years (89 percent) showed the lowest inclination towards the adoption of e-pharmacy in the times to come. Not only this, around 76 percent respondents also agreed that e-pharmacy will be convenient as compared to the existing mode of purchase they are using.

Further, around 87 percent respondents said home delivery of medicines would be a major factor propelling the increase in acceptance of online shopping of medicines. Also, neighborhood pharmacies generally keep a limited inventory. Often, the customer has to wait as they arrange for some specific medicines from other stores or inventories.

Online pharmacies do not face such issues as they can aggregate supplies and can even supply rare medicines not sold on the counter. Also, as e-pharmacies are operational 24x7, even during a pandemic, the

Perceived Problems during Online Transaction



consumer is assured of convenience.

For 74 percent of the survey respondents too, convenience in choosing the date, time and location for the delivery of orders would improve the acceptability of e-pharmacy in the market and attract more consumers to its value-added service.

The advantage of technology means that e-pharmacies are well placed to promote consumer awareness by educating them on serious concerns such as drug addiction and the side effects of medicines. If linked to government health initiatives for the poor, they can also provide information on cheaper substitutes of medicines.

In the survey, 74 percent of the respondents were confident that quality of medicines would not be compromised at e-pharmacy stores, while around 72 percent perceived that ease of tracking orders, convenience in cancellation of orders and the option of reimbursement in online purchase of medicine are distinct advantages for consumers.

Organized e-pharmacies can track medicines and hence customers can rest assured of the medicines' certification and authenticity. Technological advancements have ensured that any medicine can be traced back to the channel up to its manufacturer. The built-in transparency in the system guarantees that the authenticity of the system is not compromised.

Online pharmacies are also mandated to maintain a record of all online purchase of medicine. The advantage this promises is that drug abuse and self-medication issues can be quickly red flagged on the basis of a

customer's purchasing behavior.

Along with latest technologies and predictive analytics capabilities, e-pharmacies can not only store large amounts of consumer data but also help in policy planning in the health domain with the insights drawn from this data.

There is no scope for fudging accounts online as everything is recorded and hence there can be no tax evasion and given the rate of growth of the market, this can be a huge revenue earner for the government too.

Conclusion

Despite the many advantages that e-Pharmacy offers to the consumers, there are some consumer perceptions that can impede its growth. As per the respondents to the consumer survey, the requirement of valid prescription (45 percent) by the e-pharmacies is a major problem in buying medicines online. Delays in delivery of medicines was another issue (43 percent) and indicates the need for online pharmacy players to improve operational efficiency in delivery of medicines at the doorsteps of consumers. The process for placing order for medicines online is also time consuming and was cited as an issue by 22 percent. Quality issues were also indicated by 13 percent of the surveyed consumers.

e-Pharmacy players must work on these problem areas with the government to make the process of buying medicines online a smooth and quick experience.

Source: Secondary research & media reports

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TECHNOLOGIES TRANSFORM PHARMACY

Latest technologies being harnessed by pharmacies are revolutionizing the industry and e-pharmacies are uniquely placed to lead this change.



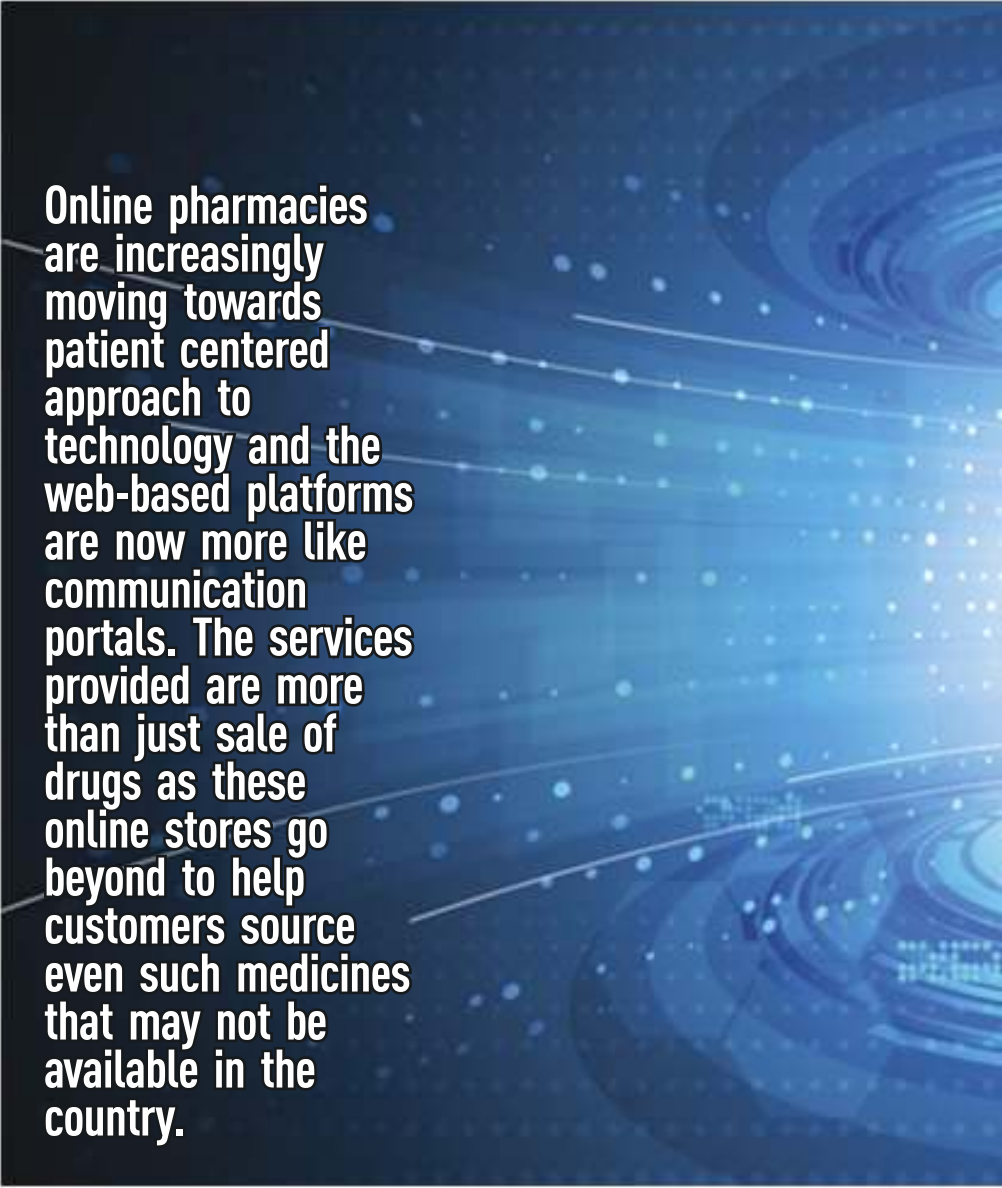
INFORMATION TECHNOLOGY HAS changed the way businesses operate and consumers live. Among the many industries that have changed under the impact of technology is the healthcare sector too. It too is reaping the benefits of automated information processing, automation and AI among other avant-garde technologies that have taken over routine, repetitive and monotonous tasks, bringing in consistency, accuracy and standardization. Mass customization is another intelligent application that has enabled health systems to provide services to a large consumer base, and yet customize it to answer individual needs.

Pharmacists are not far behind in the adoption of technology and are utilizing it to streamline and modernize various critical functions, for example, storage of patient records, electronic prescription, dispensing of medicines, automation of supply chains and for monitoring the entire system to ensure patient safety.

Pharmacies rely on accuracy in their daily work and IT systems support them in the discharge of these roles. One example of how IT has made pharmacy's work easier is the pharmacy management system. It allows them to manage a range of daily activities from medication records, to dispensing drugs, labelling medicines, ordering from wholesalers/manufacturers to keeping a close watch on stock. Electronic prescription system is another technological application that has streamlined the pharmacy process. So are automated dispensing and reimbursement processes that help keep a check on the processes. Patient and prescription record systems not only assist pharmacists to red flag any issues of drug misuse, but also help in providing patient-centric services.

Tech boost for e-Pharmacy

Internet pharmacies or e-pharmacies are an example of how the pharmacy sector has evolved over the years



Online pharmacies are increasingly moving towards patient centered approach to technology and the web-based platforms are now more like communication portals. The services provided are more than just sale of drugs as these online stores go beyond to help customers source even such medicines that may not be available in the country.

using technology. From being just online pharmacies dispensing medicines, these stores have evolved to disseminating critical information on medicines and health. Online pharmacies are increasingly moving towards patient centered approach to technology and the web-based platforms are now more like communication portals. The services provided are more than just sale of drugs as these online stores go beyond to help customers source even such medicines that may not be available in the country.

Filing prescriptions and vetting it before dispensing medicines is a

time-consuming process and many online pharmacies have adopted CRM automation to manage customer interactions. These interactions take place through text, email, and WhatsApp and other social media. The technology can be geared to send reminders to patients for prescription refill or even send out newsletters that are tailored generate awareness on a variety of health issues. The CRM technology helps e-pharmacies keep their customers engaged and takes the relationship beyond that of a seller and buyer.

The lack of face-to-face patient interaction is made up with product



information management systems (PIMs) that together with electronic pharmacy records and CRM platforms provide an omnichannel data repository that help the online pharmacies verify patients' prescription and manage the refill requests. This data repository provides the pharmacists with a 360-degree view of the patient's medical history and match that with the current prescription needs. It also helps them find out if the medicine needs can be met by inventory in real time or whether it needs to be procured. The data can assist in building the inventory for future needs

of a patient as with complex analytics, pharmacies can monitor inventory and predictive ordering of stock. The system thus ensures patient safety through the availability of critical medicines at all times.

Automated filling systems are another technology being widely used by online pharmacies. These technologies help keep labor costs down through increased automation, and thus keep prices lower, all the while filling prescriptions faster. Automated filling systems also aid inventory management. The information can be fed back to the PIM and thus help e-pharmacies keep a check on stocks.

Yet another technology powering e-pharmacies is internet of things. It provides responsive connectivity and optimization enabling e-pharmacies to constantly read all the data being gathered to understand the interaction between human workforce and machine counterparts and improve a pharmacy's ability to fulfill patient needs faster.

Barcode identification of medicines at the point of dispensing is an important tool to combat counterfeit drugs and helps trace drugs to the source. This helps in responsibility fixing and makes the pharmacy ecosystem dependable and safe.



Mobile technology has not just grown leaps and bounds, it has also evolved into an advanced technology that lends itself to various uses. The high mobile penetration means, pharmacies can reach far off patients in remote areas through text alerts that can remind them to repeat prescriptions. E-pharmacies can also offer a variety of services through

sophisticated apps, for example, for disease monitoring.

Various technologies have made adherence monitoring possible. E-pharmacies can be enlisted by governments to help monitor

diseases like tuberculosis that require patients to complete a course. There are microchip-containing tablet blister pack that help monitor if a patient has missed a dose. The data can be transmitted to the e-pharmacy that dispensed the medicine. Such data can help the government in management of communicable and non-communicable diseases.

Telecare is another technology that helps e-pharmacies improve their offering. Tele-consultations services can be provided to patients remotely. Such technologies put the patient at the center of care by enabling personalized medicine. In India, this can improve access to healthcare for rural folks and reduce the need for them to visit hospitals in far off places. The e-prescriptions can be fulfilled remotely and delivered to the patient's doorsteps. Telecare reduces the need for travelling and lowers the cost of healthcare. Remote consultations, together with online pharmacy services can transform the way pharmacy services are provided. However, e-pharmacies must be willing to adopt telecare which would be dependent on the willingness of online pharmacies to invest in integration architectures among other technologies.

Conclusion

Advanced systems and technologies are changing the pharmacies and e-pharmacies with their willingness to harness new technologies are well placed to lead this revolution in healthcare. ▶

Source: Secondary research and media reports

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Aarogya Setu

AarogyaSetu Mitr platform has run into legal hurdles over the inclusion of e-pharmacies. The government has decided to suspend the platform, but the consumer health costs of such a move would be immense. The government must formalize the regulatory framework around e-Pharmacy and put to rest all disputes and debates around it once and for all.

A Bridge To Healthy India

AAROGYASETU MITR PLATFORM, launched in March as an ancillary service on the ArogyaSetu app, has run into rough weather already. Responding to a petition filed by the South Chemists and Distributors Association in the Delhi High Court in June alleging that the portal is promoting online pharmacies through the AarogyaSetu app, the government informed the court that it will suspend the AarogyaSetu Mitr portal. The objections were raised by nearly 8.5 lakh brick-and-mortar retail chemists across the country.

Notably, in an affidavit filed by the Union Ministry of Health and Family Welfare (MoHFW) in response to the petition, the government had acceded that draft rules for online pharmacies are yet to be framed. Additionally, the rules framed under the Drugs and Cosmetics Act, 1940 has no provision for online sale of medicines.

It must be noted here that the government vide a notification issued on 26 March had amended these rules to allow online sale of medicines in view of the pandemic and the national lockdowns that had been imposed.

The AarogyaSetu Mitr portal is a public-private-partnership which lists various e-pharmacies and telemedicine services. The portal was established with a vision to promote “an effort to bring healthcare services to the doorstep of all Indians in the time of Covid-19 crisis”.

The brick and mortar retail pharmacies have been strongly opposing e-Pharmacy sector in India as it is perceived a huge threat. The petitioners have termed the linking of the portal with the AarogyaSetu app as illegal, arbitrary and discriminatory. They contend that the portal is “a marketing tool for e-pharmacies only and excluded marketing, distribution and sales by the offline chemists”.

AarogyaSetu Mitr platform was launched by the office of the Principal Scientific Adviser to the Prime Minister and NITI Aayog in voluntary participation with startups, industry coalitions and other organizations.

The objections of the offline pharmacies notwithstanding, the Mitr portal is a pioneering effort by the government to build India's health stack to bolster its fights against the pandemic. By providing consumers doorstep delivery to three important categories of services that together make up holistic medical intervention – telemedicine consultations, e-diagnostics and e-pharmacies, the government intended to ensure citizens did not need to step out of their homes for medical attention. It would not only take off the burden from hospitals and medical practitioners who are stretched to meet the needs of Covid-19 patients, but also ensure that patients suffering from non Covid related symptoms, chronic diseases and other ailments were not denied access to quality care.

Take for example StepOne, a volunteer-driven telemedicine collective, that became an empaneled partner for telemedicine consultations on Mitr platform. The collective represents the largest number of nationwide volunteer doctors, and has 21 startups, and active citizenry on its panel. The purpose of the collective was to power state government helpline numbers in its fight against Covid-19 and mental health issues cropping up due to the peculiar social circumstances during the pandemic.

The Mitr platform allowed telemedicine providers like StepOne to registered on the portal for providing free telemedicine consultation to the consumers. The

consultations were to be provided in all official Indian languages in order to reach out to citizens across the country. The portal however initially supported Hindi and English telemedicine consultation services.

The government has instituted some conditions for registering as a telemedicine counsel. The counsel has to ensure availability of minimum 100 number of doctors on a daily basis and take full responsibility of KYC of every doctor. The Covid-19 consultations are to be provided free. There can be no solicitation of patients and minimum guaranteed service level of 95 per cent.

AarogyaSetu Mitr portal also partnered with e-diagnostic partners for paid ancillary services such as laboratory testing and home sample collection. The sample collection could be done only by authorized sample collection partners including vendors who provide booking

and home collection services and are duly approved by the Indian Council of Medical Research (ICMR). Only those organizations could would be deemed eligible to register on the portal as an e-diagnostic partner who have home sample collection service in minimum 25 cities, have the ability to undertake Covid-19 sample home collection, are accreditation by NABL, have tracking system for phlebotomists and minimum guaranteed service level of 95 per cent.

For e-pharmacy partners, Mitr platform provides registration and listing. The eligibility criteria for onboarding the portal applicable to e-pharmacies demands minimum service delivery in 10,000 pin codes, more than three years of experience and minimum guaranteed service level of 95 per cent.

It is to be noted that prior to the launch of the Mitr platform, the government took care of any legality issues that may crop up due to the partnering with telemedicine, e-Diagnostic and e-Pharmacy. The Ministry of Health and Family Welfare (MoHFW) had issued Telemedicine Practice Guidelines that enabled Registered Medical Practitioners (RMP) to provide healthcare services via

The AarogyaSetu Mitr portal is a public-private-partnership which lists various e-pharmacies and telemedicine services. The portal was established with a vision to promote “an effort to bring healthcare services to the doorstep of all Indians in the time of Covid-19 crisis”.

The image shows a promotional graphic for the Aarogya Setu app. On the left is a smartphone displaying the app's interface, which features a network of user avatars and a central profile. Text on the screen reads: "With Aarogya Setu, you can protect yourself, your family and friends, and help our country in the effort to fight COVID-19. If we are safe, India is safe." Below this is a "Register Now" button. To the right of the phone is the Aarogya Setu logo, which consists of an orange heart with a green checkmark inside. Above the logo is a red circular icon with a virus-like border and the text "COVID-19 PANDEMIC". Below the logo, the text "Aarogya Setu" is written in a bold, dark blue font, followed by the slogan "में सुरक्षित | हम सुरक्षित | भारत सुरक्षित" in a smaller font.

A COLLECTIVE INITIATIVE TO FIGHT AGAINST COVID-19 IN INDIA

telemedicine. The telemedicine guidelines were subsequently adopted by the Board of Governors, in supersession of Medical Council of India. These guidelines were then included as an amendment to the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulation, 2000 via a regulation titled Consultation by Telemedicine. Currently, the telemedicine guidelines act as the regulatory framework for medical practitioners in allopathic medicines.

There are specific guidelines for platforms enabling telemedicine. The guidelines mandate such platforms to ensure consumers are consulting registered medical practitioners, that means they are required to conduct due diligence before listing any RMP on their online portal. The online portals must also provide a listing of the name, qualification, registration number, and contact details of every RMP listed with it. If found violating any of the provisions, the telemedicine portal may be blacklisted.

While the telemedicine regulatory framework is in the nascent stages, it is to be appreciated that it came to the

rescue of consumers who are stuck inside their homes due to the pandemic.

As regards e-diagnostics, all public and private clinical establishments are regulated under CERRA, including medical diagnostic and pathological laboratories. The latter are required to register with the concerned authority and must conform CERRA standards. However, several states have their own regulations and are not within the scope of CERRA. Some states have not adopted CERRA as it requires e-diagnostic players to display list of services and fees and industry has reservation in doing this. There are other issues too that have been an obstacle to the uniform adoption of CERRA.

However, despite the challenges, the pandemic has led to academia, research and startups synergies and collaborations as also linkage of laboratories across the country. The Mitr platform hence promises to provide a much-needed impetus to the development of a robust industry in the long term.

As regards e-Pharmacy, the Indian Medical Association as well as offline pharmacies have put up a

strong objection to its operations in India. With no specific laws to regulate the e-Pharmacy sector as yet, its legitimacy has been often questioned. The draft law is hanging in balance, but despite its pendency, the MoHFW spearheaded the issuing of another notification in March that would allow home delivery of drugs looking at the exigencies brought on by the pandemic necessitating consumers to stay home. Experts however point to the absence of any mention as to whether e-pharmacies can facilitate doorstep delivery of medicines. e-Pharmacy undeniably is the need of the times as it helps fulfill essential needs of a large section of people not only during the Covid-19 pandemic but even beyond it. Therefore, it is urgent that the government bring in absolute clarity on whether it will be allowed to continue with the doorstep delivery of medicines post the pandemic.

Currently, the online pharmacies are continuing their operations but the substantial gaps in the law make it challenging for them as they give opportunity to offline pharmacy lobbies to exploit them and call in question the very model and its right to operate. e-Pharmacy sector urgently needs a clear positive regulatory framework which will allow it to grow and attain its potential.

The Mitr platform has raised several questions around data protection and data privacy. According to experts the current service terms and privacy policy on the website are inadequate. Hence, there are fears that it leaves immense scope for consumer data usage for commercial purposes. Data security cannot be a grey area and it is urgent that the government addresses these issues expeditiously passes the new Personal Data Protection Bill, 2019 that is still pending in Parliament.

Conclusion

Mitr platform signals a digital revolution in the country's healthcare domain. It has the potential to become a nationwide health portal that provides the last mile access to consumers in the remotest corner of the country. A first of its kind platform in the health domain, it brings together public-private stakeholders in a noble commitment for prevention and cure of diseases. The efficacy of the platform has been well demonstrated during the lockdown and its suspension would take away ease of access from hapless consumers who must continue to exercise restraint as coronavirus cases



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continue to rise. Doorstep delivery of medicines during these times is a boon for the rich and the elderly who are vulnerable to coronavirus.

The demand by brick and mortar pharmacy associations to delink e-Pharmacy from the Mitr platform that they say promotes e-pharmacies and acts as a marketing tool for them while excluding offline chemists from its ambit, is legally tenable. The petition reads, "In a highly illegal, arbitrary and discriminatory manner, the website (AarogyaSetu Mitr) promotes and acts as a marketing tool for e-pharmacies only and excludes marketing, distribution and sales by the offline chemists."

However, the delinking of e-pharmacies from the platform would be a great disservice to the consumers especially during the pandemic. The suspension of Mitr platform would mean that consumers have no reliable source for contactless holistic healthcare and would have to return to physical hospitals, clinics, diagnostic centers and pharmacies to fulfill their needs. When there is provision for online healthcare services and doorstep deliveries, diagnostics and tele-health services, to deny the same to the consumer especially at a time when digital services are absolutely critical to avoid crowding in health facilities and enable consumers to stay home and safe, is a cruel joke.

Moreover, the stringent requirements and eligibility criteria for registration on Mitr portal ensure that only reputed and established entities can become partners. This ensures quality of services and consumers can rest assured that their health is in competent hands. If consumers are assured of the efficacy of digital health platforms, it can take away the pressure from existing health infrastructure. Also, it would promote preventive healthcare and management of chronic disease with increased accessibility to health systems and the ease of availing the same.

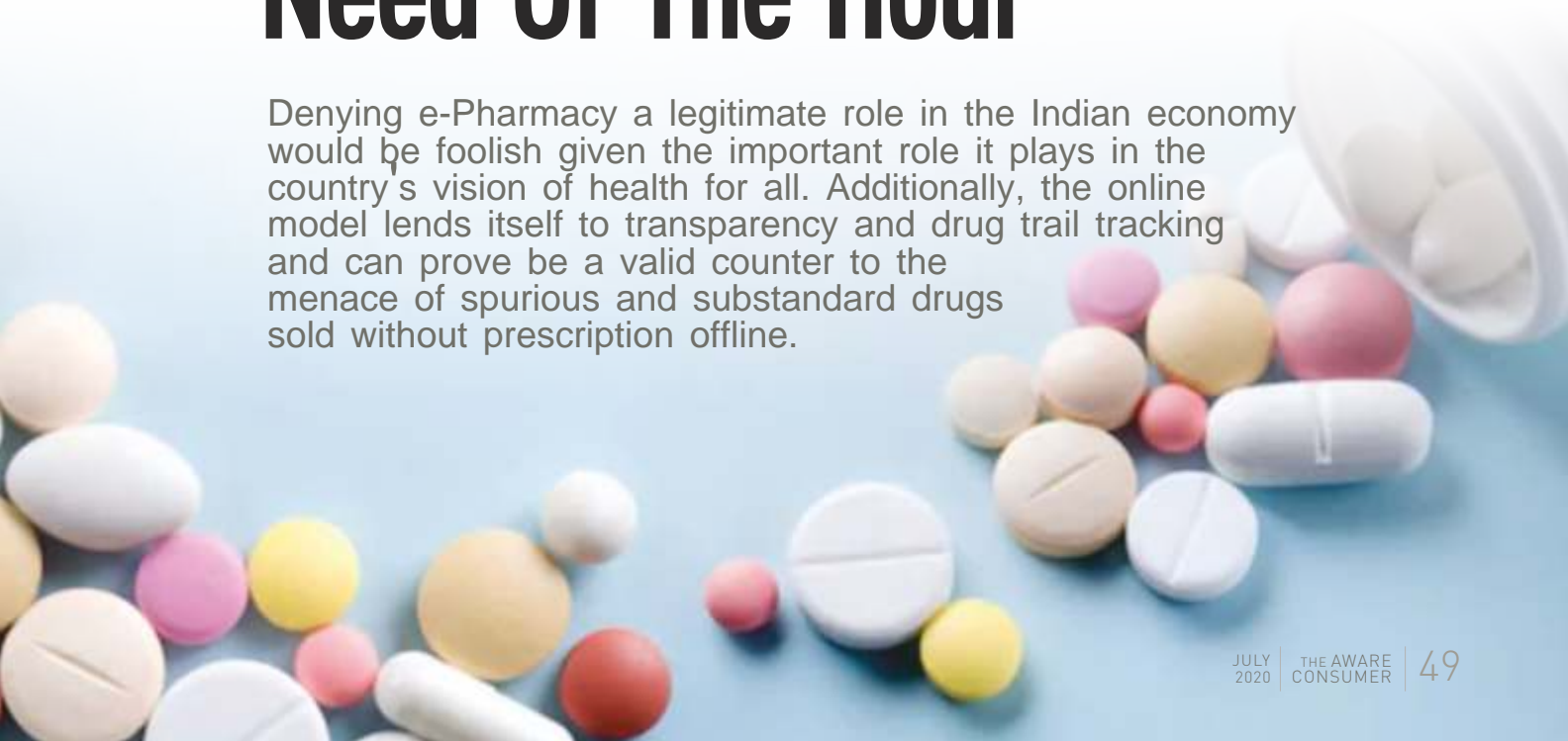
Looking at the benefits of such a platform even beyond Covid-19, it is imperative that the government take expeditious steps to bring in laws to provide a regulatory framework for e-Pharmacy. It will provide a legitimate spot to the nascent sector in India's healthcare systems and would help India take a giant leap towards digital healthcare. The government must also take steps to strengthen laws around Mitr platform and help it transform the core of India's healthcare sector.

Source: Secondary research & media reports



Quick Notification Of Draft e-Pharmacy Rules Need Of The Hour

Denying e-Pharmacy a legitimate role in the Indian economy would be foolish given the important role it plays in the country's vision of health for all. Additionally, the online model lends itself to transparency and drug trail tracking and can prove to be a valid counter to the menace of spurious and substandard drugs sold without prescription offline.



THE RAPID PENETRATION of internet and mobile has brought about far reaching changes in the development domain giving rise to disruptive models that ensure better access and service to consumers across all segments. Urban centric service models that kept the benefits of these highly advanced services confined to a small section of the urban elite are today widely accessible down to villages, thanks to these technology-driven innovations. This has certainly helped in equitable access and inclusion goals of the government. One critical sector that could benefit highly from internet driven models is healthcare. There are vast gaps in the country's health system that deny this critical service to a large part of the population. The reason is not always affordability. It is often accessibility to quality care and medicines too. Digitization in healthcare space is urgently needed and is the gateway to empowering consumers.

In this backdrop, e-Pharmacy has come up as an innovative model that is scalable and replicable to suit the needs of the country. It is indeed a reflection of how it is helping bridge a gap that in a span of just four years it has become firmly established and is catering to the needs of huge number of consumers.

Federation of Indian Chambers of Commerce & Industry (FICCI) has been at the forefront of driving innovative models for healthcare access. The industry body has been actively associated in the policy, strategy and capacity building for the health sector. In fact, FICCI partnered with the industry to help it come up with a 'Code of Conduct' for e-Pharmacy. The aim was to provide a compliance model and high standards of operation to the fledgling sector in order to ensure that patient safety was not compromised.

Current estimates put the no of startups operating in the e-Pharmacy space as more than 50. These online pharmacies together are providing quality and affordable medicines to about 50 lakh patients per month across the country and are said to have served patients across 19000 + PIN codes. Further, the nascent industry employs around 30,000 skilled professionals, has attracted Rs 4000 crore plus in FDI from top global investors. The sector expects another Rs 2000 crore to flow in in the next two to three years. The sector's potential to attract FDI is a huge plus.

Given e-Pharmacy's huge scope to add immense value to the pharmacy retail industry and the overall healthcare sector, the delay in notifying the draft rules is incomprehensible. For any innovation to grow, and which is critical in the health sector, there must be simple and clear regulatory framework.

Looking at the importance of e-Pharmacy in the retail digital chain, FICCI had requested the government to notify the Draft e-Pharmacy Rules at the earliest. Notably, Niti Aayog too in its report 'Strategy for New India @ 75' which was published in November 2018 had emphasized the need for formulating and implementing e-Pharmacy policy, noting that online access ensures that quality medicines are made available to consumers in a cost-

effective and timely manner and e-Pharmacy has an important role to play in delivery of quality healthcare and the achievement of Universal Health Coverage.

The delay in notification of the draft rules has led to creation of a vicious atmosphere as vested interest groups who are making concerted efforts to destabilize the nascent sector. The result: It is the end consumers who are the ultimate sufferers as can be seen from the government decision to suspend the AarogyaSetu Mitr platform. This will deny consumers online access to various health services.

It is urgently required that all the ambiguity and mythical clouds surrounding e-Pharmacy is removed at the earliest.

How quick notification of drafts rules benefit

Once notified, it will allow the best use of technology to ensure better access to healthcare for consumers. The procedure for registration of an e-pharmacy operator under the draft rules is extremely stringent. And after registration, operators would be subjected to periodic inspection. Thus, the rules would ensure only genuine players get access to the market and once there, will follow all necessary rules to avoid being blacklisted.

The draft rules will help remove any assumption that online pharmacies will indulge in direct selling of medicines without valid prescription. The rules are clear that once a prescription is received by an e-pharmacy it has to ensure that the supply of drugs is from licensed premises. The offline pharmacies are also required to maintain updated list of vendors on the website. The medicines will not be supplied directly by e-pharmacies but through them from licensed premises and hence cannot be done without a valid prescription.

Through the provision of transaction audits by central licensing authorities and/or the state licensing authorities, the draft rules will ensure better compliances of the provisions by e-pharmacies. The draft rules have incorporated various checks through supervision measures that are bound to improve transparency of online pharmacies.

The draft rules have also the power to regulate disclosure of information generated through e-pharmacy portal, taking care of the concerns around data privacy. e-Pharmacy is also required to comply with the IT Act and the rules thereunder.

To check the menace of substandard and spurious drugs, the Draft e-Pharmacy Rules make provisions for filing of complaint directly to the State Drugs Controller (in the State Licensing Authority) on even a suspicion that the drug being supplied does not meet quality standards or is adulterated or misbranded or spurious. If such a complaint is received, it is easier for the authorities to track such a drug through the digital transaction trail. The provision of transaction audits will further make tracking of such instances smooth. It is

expected that e-Pharmacy will be the antidote to offline sale of spurious drugs or substandard drugs, as the latter does not offer such an easily trackable trail. This makes implementation of the draft rules without further delay even more important.

The concerns around easy accessibility of drugs online leading to addiction and misuse are also without basis. It is not possible even under the current regulations for e-pharmacies to defy the legal framework. The draft rules once implemented will make the regulatory framework even more stringent. Hence, it is not possible for any sale of drugs to take place without proper prescription, which is checked by a registered pharmacist. Even in the case of any such event, it would be easier to identify the culprit and take appropriate action.

The misconception that electronic prescriptions emailed would be unsigned hold no ground as scanned prescription is a valid prescription, as per the provisions of the Draft Rules and Section 4 of the Information Technology Act, 2000 ("IT Act").



Online pharmacies together are providing quality and affordable medicines to about 50 lakh patients per month across the country and are said to have served patients across 19000 + PIN codes. Further, the nascent industry employs around 30,000 skilled professionals, has attracted Rs 4000 crore plus in FDI from top global investors.

The draft rules mandate that all the prescription-based medicines or Rx medicines can only be dispensed on the basis of a valid prescription which includes doctors' details, patient details, medicine details and date of consultation. Prescription medicines cannot be ordered without a prescription. Further since such medicines are fulfilled and processed only under the supervision of a registered pharmacist, who has to be present in person at the partner licensed pharmacy which is a physical facility, and all the invoices generated for prescription drugs from such a licensed pharmacy partner have to be signed by the registered pharmacist who belongs to that

particular licensed pharmacy, there is no scope for any bending of the law.

Hence, it is clear from the above that no additional preferences are being afforded to the e-Pharmacies by the Draft Rules; and e-Pharmacies will have to necessarily comply with all applicable provisions and laws, including the Drugs and Cosmetics Act, the Drugs and Cosmetics Rules and the IT Act.

Conclusion

As is clear, the arguments against e-Pharmacy are specious and driven by vested interests. In fact, the e-Pharmacy model is so transparent with stringent rules for documentation of transactions, valid bills, and tracking built-in; it is a more dependable model for a country like India where offline pharmacies cannot be regulated so stringently. e-Pharmacy models provide tracking and traceability with complete details of the medicines, batch number, dispensing pharmacy's name and address, prescribing doctor, name and address of the patient, etc., thereby reducing the problem of drug abuse and self-medication.

Besides the above, e-Pharmacy can also play a big role in nation building given its growth potential, entrepreneurial model that support startups and can be an employment generator as also accelerator of innovation in the entire healthcare ecosystem. The consumer data stored online can help the government in developing targeted health policies for the public. The last mile access even to the remotest corner that the model can bring will help increase healthcare access while the value-added services online can increase consumer awareness through quality and detailed content about medicines, their usages, benefits, side effects, composition, available substitutes, etc. Thus, creating huge awareness for the consumers, on the subject that directly affects their health and well-being, and also aligning with the government's mission of consumer awareness — "Jago Grahak Jago".

Further, given the current scenario surrounding the Pradhan Mantri Bharatiya Janaushadhi Pariyojana (PMBJP) scheme, using the e-Pharmacy route seems to be the only best option to realize the government's vision of Universal Health Coverage. The e-Pharmacy model could also be effectively aligned to the government's Common Services Center (CSC) goal of improving delivery of essential health services in rural India by improving access, ensuring efficacy, transparency, and reliability of the services at an affordable cost. It helps in bringing disruptive transformation and innovation in the traditional delivery and supply chain of medicines, through the use of technology. Thus, enabling the progress of the entire value chain of the Indian pharmacy retail sector. Above all, e-Pharmacy addresses the challenges of affordability, accessibility and transparency of medicines for the consumers. ▶

Source: Secondary research & media reports

e-Pharmacy Market Slated To Grow Exponentially

e-Pharmacy is an industry in the making with fertile conditions promoting its growth globally.



THE DEMAND FOR mail-order medicines is rising across the globe with the increasing penetration of e-commerce and use of the internet. Many online pharmacies, also known as e-pharmacies, are offering doorstep delivery and dispensing of prescription medicines and over-the-counter products. However, a prescription from a registered medical practitioner is mandated by most governments for ordering and dispensing of a prescription drug through online channel. e-Pharmacy has made the need for travelling to the pharmacist a thing of the past for many consumers.

Fortune Business Insights projects the global e-Pharmacy market size will grow driven by a large patient pool that prefer the online mode of shopping. This preference is also forecast to be guided by the uncertainty and unavailability of certain medicines in retail pharmacy stores at times that require the patient to scourge around various chemists to find it or a substitute for it. The growth of e-Pharmacy sector is also being supported by the rapid expansion of e-commerce that has helped online pharmacists access a wider consumer-base, thereby acting as the major e-Pharmacy market growth driver. A report by

Fortune Business Insights titled, “e-Pharmacy Market Size, Share and Industry Analysis By Product (Over-the-Counter Products, Prescription Medicine) and Regional Forecast, 2019 - 2026,” estimates the value of e-Pharmacy market was USD 49,727.7 million in 2018 and is expected to reach USD 177,794.9 million by the end of 2026, exhibiting a CAGR of 17.3% during the forecast period set between 2019 to 2026.

Another report titled “e-Pharmacy – Market Demand, Growth, Opportunities and Analysis of Top Key Player Forecast to 2026” says that the global e-Pharmacy market that accounted for \$44.95 billion in 2017 is slated to reach \$211.36 billion by 2026 growing at a CAGR of 18.7% during the forecast period.

The report attributes this growth to stable rise in the number of internet consumers, enhanced access to web-based and online services and growing implementation of e-prescriptions in hospitals and other healthcare services as some of the key factors fueling the market growth. However, the reports points to the expansion of a large number of unlawful online pharmacies and says this is negatively impacting the growth of the market.

capitalizing on disruptive information technologies and algorithms that offer better consumer experience and satisfaction, the market is set to get further impetus. Technologies like artificial intelligence and machine learning will ensure better customer satisfaction in the market. Together all these factors are expected to drive the global e-Pharmacy market growth.

However, governments around the world have established stringent regulations for selling prescription drugs through online channels. In North America and Europe, the sale of prescription drugs through e-Pharmacy is highly regulated. In India too, the government has mandated a set of rules that companies must comply with. These regulatory requirements can impact the market growth, say reports.

However, sale of prescription drugs through online sites is not permitted in many countries. There are fears that unregulated sale of prescription medicines online could lead governments to prohibit online pharmacy and this could impact global market revenue.

The Fortune reports states Asia Pacific is the fastest growing market due to the existence of a huge patient



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The rapid growth of the major e-Pharmacy companies is also attributed to medicines being provided at discounted rates when compared to traditional brick and mortar pharmacy stores. The e-Pharmacy growth will be fueled by the increasing investment of e-commerce giants in healthcare.

The online sellers are also banking on the growing internet access that has brought about phenomenal changes in purchasing preferences of consumers. Also, the fact that e-Pharmacy is most advantageous for chronic elderly patients and patients who cannot venture out to retail pharmacy, is pushing its growth. Further, it's easy as consumers can upload scanned copy of their prescription and place a request with minimum hassle. The high reliance of millennials on the online procurement of goods like cosmetics and over the counter medicines is also boosting the growth of e-Pharmacy market.

As startups jump into the market around the globe

pool and increase in target population. It expects markets such as China and India to growth due to the high growth potential.

In India, the potential of the market is huge and could account for 15%-20% of the total pharmaceutical sales over the next 10 years. It can grow into a large industry by ensuring access to medicines for the vast underserved population in the country. The value-added services that e-pharmacies offer through their platform and the considerable cost savings for consumers through discounting can also work in its favor.

Further, India provides the right conditions for the growth of e-digital pharmacies with its growing online population, rising incidence go non-communicable chronic diseases and the lack of access to pharma products in remote areas where offline stores have failed to make a presence. ▶

Source: Secondary research & media reports



**Bharat Ratna Mahamana
Pandit Madan Mohan Malaviya**



MAHAMANA DECLARATIONS & ACTION PLAN

ON THE ROLE OF AYUSH AND COVID-19 PANDEMIC 2020

www.patientsafetyaccess.org

9 Key Concepts

1. Patient First
2. Value of AYUSH
3. AMEND The Standard Setting Exercise for AYUSH MEDICINES
4. The Increasing Demand for AYUSH Practitioners
5. Assess the Value of Our Bio-Resources
6. Strong Regulatory Body
7. Institutionalize AYUSH
8. Make AYUSH Popular:
Four Perspectives: i. Preventive interventions; ii. Novel scientific studies; iii. Immunity; iv. Up-scaling and marketing
9. AYUSH Leadership

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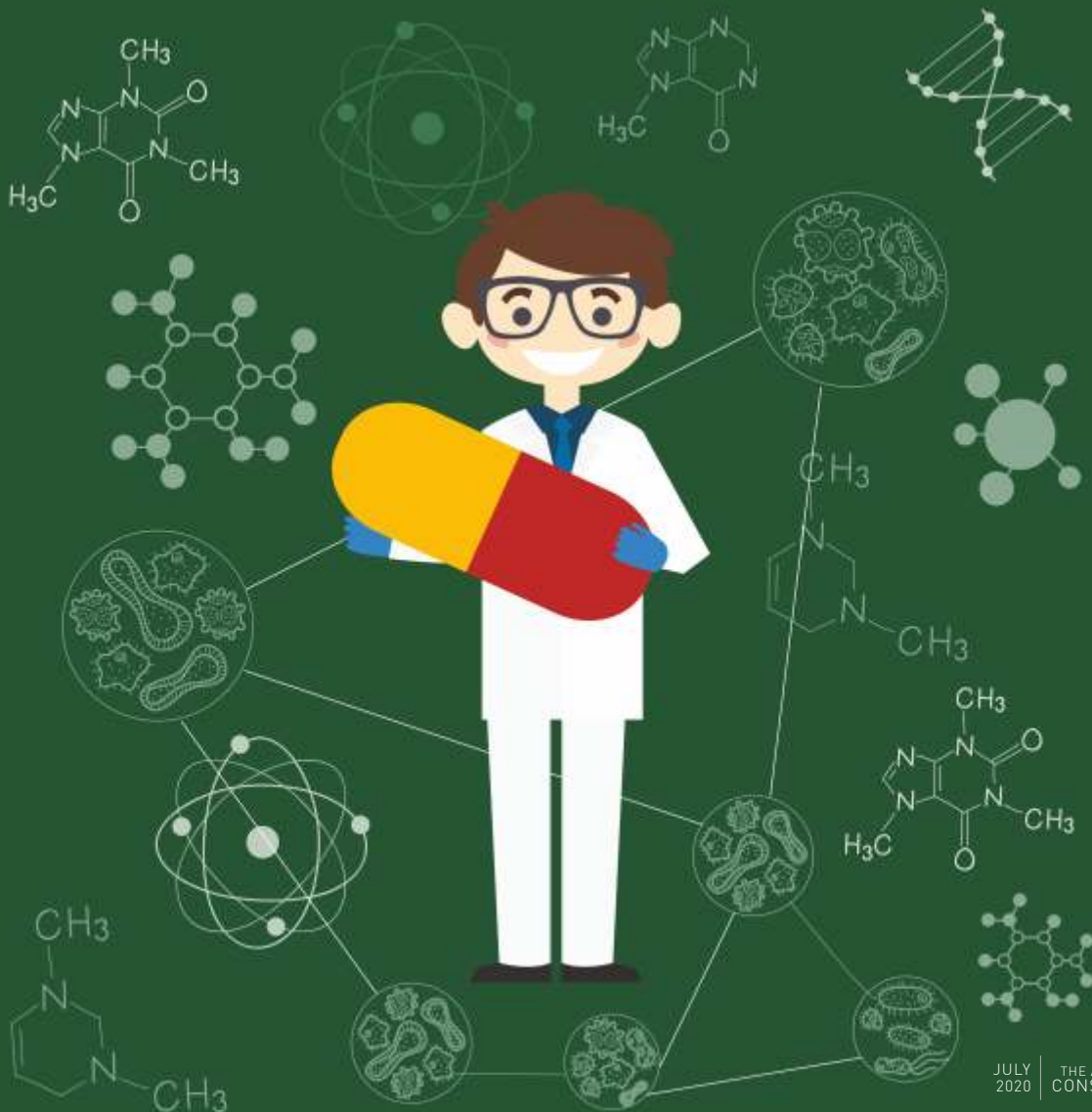
PATIENT SAFETY AND ACCESS
INITIATIVE OF INDIA FOUNDATION



Consumer Online Foundation

Conditions Ripe For e-Pharmacy Growth In India

Growing health insurance sector, government's many e-Health initiatives and e-Pharmacy sector's synergies with various stakeholders in the health system are driving its growth.



ACCORDING TO A Frost & Sullivan report, 'In the Spotlight: e-Pharmacy in India An Exponential Growth Opportunity', increasing health insurance penetration is one of the chief factors promoting the growth of e-Pharmacy in the country.



In the last more than two decades of the formal opening of the health insurance sector in India a lot has changed. Yet, the penetration of health insurance

remains low. According to various estimates, 65-70 per cent of consumers in the country are still paying their medical bills out of their pockets. A silver lining in recent years has been the launch of the Government of India's Ayushman Bharat which has provided cover to 50 crore citizens. However, around 80 crore consumers have to take care of their healthcare costs by themselves. According to reports just four crore citizens in the country have a personal health insurance and about 10 crore citizens come under the corporate cover. This shows the low level of penetration in the country.

Despite the slow growth, the number of lives covered under health insurance in the country has more than doubled in the past some years. In 2016-17, the number of lives covered under health insurance stood at 437 million, registering a CAGR of 20.5% between 2012-13 and 2016-17. The report had noted the major drivers for this growth as increase in lives covered by government and group (other than government) schemes in the last three years. The increase in such life covers in turn was largely due to the increased awareness and uptake of insurance products among consumers. The rising launches of insurance schemes by various states and the central government are driving the growth of health insurance cover in the country.

Yet, there is a lot of headroom for growth in the health insurance sector as the penetration is only five to six per cent. According to various estimates, the insurance sector is vibrant and growing at 25 per cent every year, while the standalone health insurers sector is growing at 35-40 per cent.

The growth in healthcare financing products like health

insurance, life insurance, and cashless claims have eased the financing burden on consumers and led to them increasing their healthcare spending. This in turn has led to considerable benefits for e-Pharmacy.

Government schemes boost growth

The governments emphasis on health coverage of common citizens through Ayushman Bharat Health Insurance Scheme or National Health Protection Scheme is aimed at creating a healthy, capable, and content society. The scheme aims to cover poor, deprived sections – 8.03 crore rural families and 2.33 crore urban poor. Total 50 crore people come under the umbrella of this scheme that provides them Rs 5 lakh cover per family. This has led to an increase in health insurance penetration. Insurers have also launched a number of innovative products that have led to increased uptake of OPD services.

Another major driver of e-Pharmacy in India is the e-healthcare initiatives launched by the Government India. These initiatives are rooted in Information & Communication Technologies (ICT) and are targeted to improve the efficiency and effectiveness of the public healthcare system. These initiatives include National Health Portal which is an online portal that provides information to citizens and stakeholders in different languages. The aim of the portal is to create awareness about health programs and services. Online Registration System is another important initiative for streamlining the public health system. It is a generic software for hospitals in the government sector covering important functional areas like patient care, laboratory services, workflow-based document information exchange, human resource, and medical records management. Through the e-Hospital@NIC citizens are being provided services for taking online registrations and appointments, payment of fees, online viewing of diagnostic reports, enquiring about the availability of blood online etc., in public hospitals. Another important initiative is SUGAM, which is a single window for multiple stakeholders. It enables online submission of applications, their tracking, processing and grant of approvals online mainly for drugs, clinical trials, ethics committees, medical devices, and vaccines.

The government is further bolstering the digital healthcare system with the National Health Stack with a vision to bring down the costs of health protection, converge disparate systems to ensure a cashless and seamlessly integrated system for patients.

The idea is to bring more and more patient services online through these initiatives and educate people on using online health services. With the public health system adopting the online route, private online healthcare providers are expected to get a boost too.

Opportunities galore for e-Pharmacy

For e-pharmacy players this has presented an opportunity for tie-ups with health insurers to provide medicines at

cheaper prices to consumers which leads to cost savings for consumers and insurers. For insurers it helps them keep their claim ratio under check. Since the e-Pharmacy model lends itself to synergies with health insurers, more and more health insurers are prompting customers to buy medicines from e-Pharmacy portals.

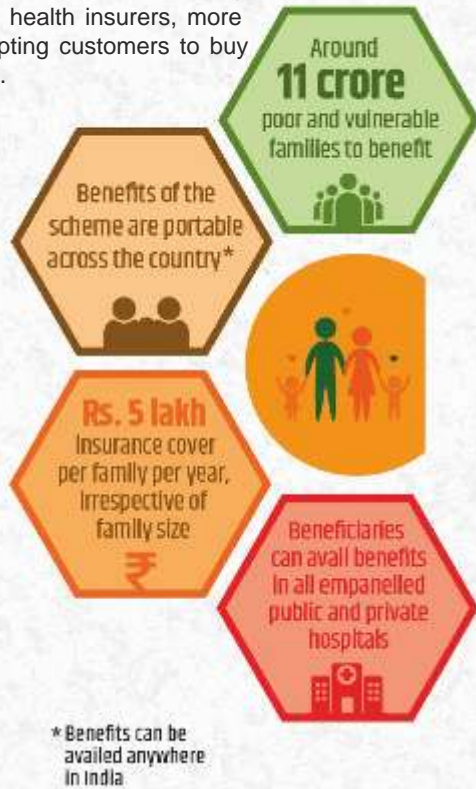
A big advantage of online pharmacy model is the digital trail that it leaves per transaction. This provides greater confidence to stakeholders and the insurance players have begun partnering with e-pharmacies for their outpatient department covers as e-billing and tracking facilities offered by e-pharmacies smoothens the insurance process.

Further, traceability and auditability offered by e-Pharmacy aid law enforcement and help the government come up with health policies and regulations. These characteristics also enable in insurance coverage of drugs.

According to Frost & Sullivan, the changing disease patterns in the country is also driving the growth of e-Pharmacy. In the past 25 or more years India has been undergoing a major epidemiological transition and has seen an unprecedented rise in non-communicable diseases (NCDs). NCDs are being touted as silent killers and there is an urgent need for raising awareness and intervention for chronic diseases. Despite the rising number of deaths due to NCDs, due to low awareness, not many seek medical help. The high and prolonged cost of managing these diseases is also huge deterrent.

However, efforts are ongoing and as slowly more consumers become aware that the precursors to some of these ailments are the offshoots of conditions which are preventable or can be managed with medicines for long term; there is an increasing demand for medicines for such diseases. For consumers who need to take medicines long-term, e-pharmacies provide cost benefits. Additionally, many e-pharmacies are also providing regular reminders for refilling prescriptions and hence helping consumers better manage their diseases through drug compliance. Hence, the rising burden of chronic diseases is a potential growth driver for online pharmacy market.

Medicine costs account for about 70% of all health care costs in India. Unfortunately, this is a huge drain on consumer's pocket as it rarely gets reimbursed. The reason is poor insurance coverage. The spending on medicine in the country is expected to increase at a 9-12% CAGR between 2018 and 2022 to US \$ 26-30 billion, according to the Frost & Sullivan report. This



rising expense on medicines is being driven by increasing consumer spending, rapid urbanization, rise of NCDs, and rising healthcare insurance among others.

The government's healthcare initiatives like Jan Aushadhi, have definitely improved affordability of medicines, but accessibility of drugs in the public sector leaves a lot to be desired. As a result, consumers have to depend on the private sector which is too expensive.

e-Pharmacy promises to solve this public health issue. Additionally, discounting practices of online portals and the availability of a wide variety of brands including cheaper alternatives on e-Pharmacy platforms promise potential solutions to the country's poor and price conscious consumers.

The Covid-19 pandemic has served as a reminder of the importance of health insurance for all. But more than that it has also shown how important managing chronic diseases are as comorbidities have become the largest killers go coronavirus patients. NCDs need to be managed urgently and e-Pharmacy can play a critical role in this by enabling health insurance coverage for medication and cheaper drugs with enhanced accessibility. ▀

Source: Secondary research & media reports

CORONAVIRUS

COVID-19

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.

Most people infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment. Older people, and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness.

The best way to prevent and slow down transmission is be well informed about the COVID-19 virus, the disease it causes and how it spreads. Protect yourself and others from infection by washing your hands or using an alcohol based rub frequently and not touching your face.

The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes, so it's important that you also practice respiratory etiquette (for example, by coughing into a flexed elbow).

At this time, there are no specific vaccines or treatments for COVID-19. However, there are many ongoing clinical trials evaluating potential treatments.



SYMPTOMS

COMMON SYMPTOMS INCLUDE:

- fever
- tiredness
- dry cough.



OTHER SYMPTOMS INCLUDE:

- shortness of breath
- aches and pains
- sore throat
- and very few people will report diarrhoea, nausea or a runny nose.

People with mild symptoms who are otherwise healthy should self-isolate and contact their medical provider or a COVID-19 information line for advice on testing and referral.

People with fever, cough or difficulty breathing should call their doctor and seek medical attention.

PREVENTION

To prevent infection and to slow transmission of COVID-19, do the following:

- Wash your hands regularly with soap and water, or clean them with alcohol-based hand rub.
- Maintain at least 1 metre distance between you and people coughing or sneezing.
- Avoid touching your face.
- Cover your mouth and nose when coughing or sneezing.
- Stay home if you feel unwell.
- Refrain from smoking and other activities that weaken the lungs.
- Practice physical distancing by avoiding unnecessary travel and staying away from large groups of people.

**Helpline Number Toll free: 1075
+91-11-23978046**

Email : ncov2019@gov.in • ncov2019@gmail.com

e-Pharmacies To The Rescue During The **Pandemic**



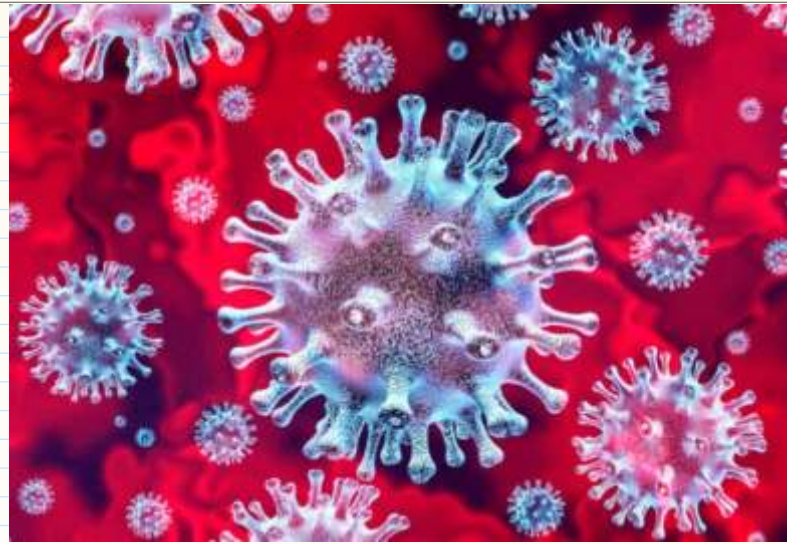
Customers, frontline workers and leaders,
UNEDITED NOTES – When the going gets tough!

FOR e-PHARMACIES IN India, it has been non-stop ops on ground since COVID-19 raised its ugly head. They have come to the rescue of Indians by providing lifesaving medicines and all healthcare needs at the consumers' doorsteps.

India continues with its nationwide lockdown and yet most cities are well served for their healthcare needs. E-pharmacies such as 1mg, Pharmeasy, Netmeds, Medlife and others have been delivering healthcare services at homes despite umpteen practical on-ground challenges. Netizens are full of appreciation for these service providers; at-large customers say they have found better stock availability, reasonable pricing and ease-of-use while using these platforms; the most important being access to healthcare at doorsteps being provided in spite of the lockdown.

Nalini never anticipated e-pharmacies would come to her rescue while she was stranded in Delhi when lockdown was suddenly announced. She wrote, "In all the chaos and havoc that Covid-19 has caused in peoples' lives, one silver lining for me is that the situation ended up pushing me to try the online pharmacy. I have an autoimmune disorder for which I need to take maintenance dosage of my medicines without fail! I was on a short trip to my parent's home in Delhi and was to return back to my home in Mumbai and hence was carrying just enough medicines for the trip. The unexpected lockdown had me stranded in Delhi (where I continue to be even today). I was really worried when the local pharmacies told me that my medicines were out of stock or that they will not be able to have them home delivered. I did not want to step out to get the medicines or request my senior citizen parents to go - all three of us being in the high-risk category! My friend, who works at 1mg, suggested during a chance conversation to try any online pharmacy as an experiment. Till date, I have always stayed away from moving to online ordering because I felt it is too much of an effort or the process might be too tedious. However, left with hardly a better alternative, I downloaded the app and logged in. The experience at multiple levels has been top-class. While on the app, the ease with which I could search and select medicines was much easier than calling the neighborhood pharmacy and reading out the spelling of the medicines over phone.

- The availability status of my order was instant as compared to the pharmacist keeping me on hold for minutes as they would check the stock in the store
- The way the system read my uploaded prescription and within a few minutes I was updated that it was an old prescription and a new one is needed - while at one end made me upset about having to get a fresh prescription but on hindsight I am relieved that there are stringent checks in place and prescription drugs are not doled out to anyone and everyone, till a due diligence is done



While most brick-and-mortar pharmacies continue to function amid the nationwide lockdown to contain the pandemic, many consumers have switched to buying medicines online for fear of getting infected by the novel coronavirus.

- When they realized that I was a new user, I was guided over phone, a couple of times and the simplest of queries answered by a tele-pharmacist
- Not only that, I got regular updates about the delivery status. Due to lockdown, our building is not allowing any doorstep delivery and hence I was pleasantly surprised when the 1mg delivery person called from my building's entrance to confirm all details and also to take my consent before he handed over the medicines to the security guard. Despite being on the field and maybe doing non-stop deliveries, he paused and asked me how I am doing. It was a very simple phrase, but my heart went out to him at that moment!

The experience has made me also appreciate the contribution being made by the e-pharmacy portals and teams working selflessly for the benefit of the citizens like me who need essential medicines and are under lockdown. Realizing that more such services should be made operational at the earliest, I have included this in my current workstream and am working on reimagining livelihoods in this sector. My gratitude and prayers for every member of team 1mg who is out there so that we stay safe and healthy, in here!"

Samra wrote, “Despite a pandemic and such odd situations you guys did a really appreciative job by delivering the medicine on time. Thank you for being so dedicated to the services you provide.”

Armaan wrote, “1mg - A great initiator of well classified customer service in this tough situation of COVID-19. I can honestly say that they always provide an excellent service from the simplicity of completing the order and ease out of fulfilling the consultation, to the quick dispatch and delivery and even aftercare. Thank you for being a great help throughout this critical period and giving your customers the ability to live normal and pain free life. My sincere thanks to the entire 1mg team, good luck.”

While customers are experiencing many benefits that e-pharmacies bring to them, it's a challenging job for the e-pharmacy teams to ensure that despite the on-ground challenges they keep serving non-stop. The teams at these e-pharmacies are super proud to be actually able to serve India at large.

Deepak works with an e-pharmacy and on the 2nd day of the lockdown he was out on the streets of Mumbai delivering medicines. He says, “We used to live in a village, but I wanted more for our life. So, we moved to Kalyan and I joined as a delivery executive. I thought the happiest moment of my life was when I got my first paycheck. But now that happiest moment is every day when customers praise me for delivering their medicine during lockdown and

nothing makes me happier than that. These tough times have taught me the value of my job, and I am proud that I can ensure that medicines are reaching patients at their homes.”

Rubina works as a pharmacist at an e-pharmacy partner facility. Her family was apprehensive to let her go to work during the lockdown. Rubina educated her family that her work falls under Essential Services and has managed to work every single day since the lockdown. Rubina says, “As a pharmacist, I understand that I have a bigger responsibility right now than ever. We're working 24*7 to make sure that medicines are delivered to people; I understand how important every order is and we are doing everything we can to make sure it reaches them.”

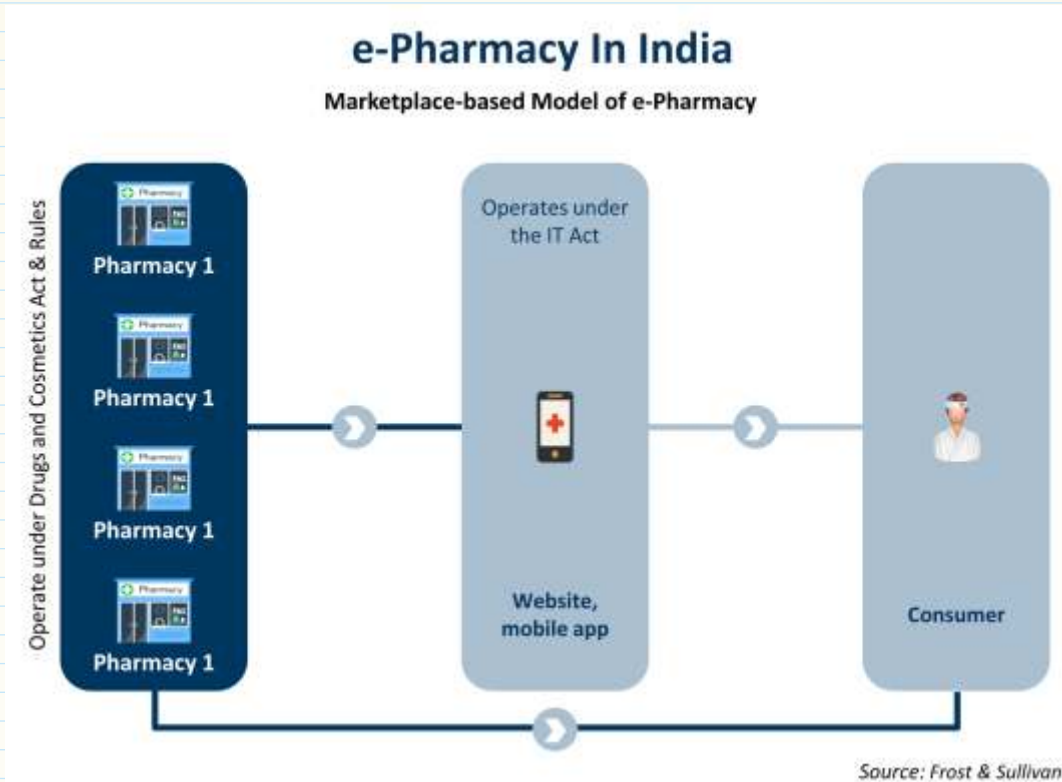
PRASHANT TANDON (Co-founder & CEO, 1mg.com) says, “I am so proud of the service we have been able to provide, whether helping customers directly with their medicines, tests and doctor consults or working actively with government bodies in this fight against this national healthcare emergency. All frontline warriors are working super hard and I am extremely proud of each and every one of them in leading the way to serve the nation during this pandemic.”

PRASHANT SINGH (Co-founder, Medlife.com) says, “We have served 3 lakh-plus chronic patients and delivered critical medicines and services across 9000 plus pin codes making the lock down viable for the most vulnerable in India.”

e-Pharmacy: The Next Step In Healthcare Consolidation

PRADEEP DADHA (Founder & CEO, Netmeds.com) says, “As a pharmacy-led healthcare company, we are acutely aware of our role in helping people get through the ongoing pandemic as safely as possible. We have a new goal right now, and that is to ensure that no patient goes unattended. To this end, the entire Netmeds team is actively engaged in assessing the situation to mitigate potential disruption scenarios, as well as ensuring delivery of medicines and essentials. Our tie-up with India Post allows Netmeds.com to serve new locations, taking the number of pin codes where we delivered orders to 16.5k. We are also ensuring that all our delivery centers and logistic partners follow the most stringent measures in cleaning and sanitization.”





DHARMIL SHETH (Cofounder & CEO, Pharameasy.in) says, “Pharameasy worked with the Mumbai Municipal Corporation to use technology for doctors treating potential COVID-19 patients. We also worked with the Bangalore Government to help people get medicines round the clock at their doorstep. At special request of Aditya Thackeray, we also launched 30-min delivery of medicines starting with Worli constituency and then entire Mumbai. The industry saw a 20% drop in sales, but all the online pharmacies have seen a spike in demand which only means that people want this service more than ever and we continue to work round the clock fulfilling their demand.”

All the key value propositions that we have been talking about on the access front for healthcare is being witnessed by customers today through e-pharmacies – Access, Availability, Authenticity of Healthcare Information, Products and Services. Online healthcare providers are making sure that we stay safe at home to complement the government's efforts to flatten the curve by servicing across 20,000+ pin codes and making sure the healthcare needs of the patients are fulfilled, non-stop.

Source: Secondary research & media reports

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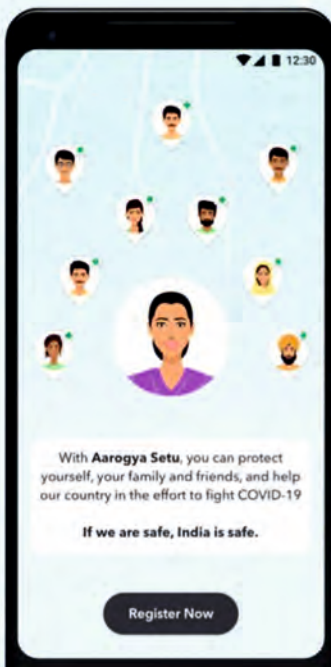
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Posted at Lodi Road HPO, New Delhi on 9-10th of every month
Published on 6th of every month

RNI No. DELENG/2015/67140
REG. NO. DL (S)-17/3523/2017-19