Senate Finance and Public Administration References Committee

ANSWERS TO QUESTIONS ON NOTICE

DEPARTMENT OF HEALTH AND AGEING

Inquiry into the Government's Administration of the Pharmaceutical Benefits Scheme
Hearing 25 July 2011

Question: 1

OUTCOME 2: Access to Pharmaceutical Services

Topic: SMOKING MORTALITY RATES

Hansard Page: 16

Senator McEwen asked:

How many people does smoking kill in Australia each year?

Answer:

Tobacco smoking remains one of the leading causes of preventable death and disease among Australians, killing over 15,000 Australians every year.

Source: The costs of tobacco, alcohol and illicit drug abuse to Australian society (Collins & Lapsley, 2008).

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DEPARTMENT OF HEALTH AND AGEING

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Question: 2

OUTCOME 2: Access to Pharmaceutical Services

Topic: HOW MANY PHARMAECUTICAL BENEFITS ADVISORY COMMITTEE MEETINGS TO GET A POSITIVE RECOMMENDATION

Hansard Page: 7

Senator Boyce asked:

How many rounds (meetings of the Pharmaceutical Benefits Advisory Committee) do we do before you have a 90 percent pass rate?

Answer:

Four years after initial consideration by the Pharmaceutical Benefits Advisory Committee, between 84 per cent and 92 per cent of major submissions have been recommended for listing.

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DEPARTMENT OF HEALTH AND AGEING

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Question: 3

OUTCOME : 2 Access to Pharmaceutical Services

Topic: DIVERSION OF OPIOID MEDICINES

Hansard Page: 13

Senator Di Natale asked:

There is obviously very clear evidence that with another opiate, buprenorphine, which does have naloxone, there has been reduced diversion and drug abuse with that product. I understand that there is significant potential for the reduction of opiate abuse in this product.

Answer:

At its March 2010 meeting, the Pharmaceutical Benefits Advisory Committee (PBAC) advised the Minister for Health and Ageing, the Hon Nicola Roxon MP, and the Pharmaceutical Benefits Pricing Authority that buprenorphine and naloxone (Suboxone) is superior in terms of comparative effectiveness (in deterring its diversion and injection) and safety over buprenorphine alone (Subutex), based on the evidence of reduced diversion and abuse potential and represented acceptable cost effectiveness at the increased price requested.

The PBAC noted the economic analysis was limited and somewhat uninformative but acknowledged the difficulty of collecting the appropriate information in this setting. The PBAC accepted that a reduction in injecting behaviours is biologically plausible and supported by the studies provided, despite their limitations.

In his evidence before the Committee on 25 July 2011, in relation to buprenorphine naloxone, Professor Sansom advised (Page 22)

> *"The advice given to me was that the reduction in abuse potential of that is not as much as we would have hoped for. It might have some benefit. There was no evidence presented that it was going to be absolute and there was no evidence presented that we could qualify, and if you read the public summary document it says that the PBS acknowledges it, but was not able to quantify or value it in terms of a dollar value."*

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DEPARTMENT OF HEALTH AND AGEING

Inquiry into the Government's Administration of the Pharmaceutical Benefits Scheme
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Question: 4

OUTCOME 2: Access to Pharmaceutical Services

Topic: $10 MILLION CABINET THRESHOLD

Hansard Page: 14

Senator Fierravanti-Wells asked:

How long has that long standing practice ($10 million threshold for Cabinet consideration of Pharmaceutical Benefits Scheme listings) existed?

Answer:

The requirement for Cabinet consideration of the listing of new drugs estimated to cost more than $10 million per annum was first reported in the Pharmaceutical Benefits Pricing Authority Annual Report for the year ending 30 June 1994, but the process underpinning this consideration was formalised in 2001-02.

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ANSWERS TO QUESTIONS ON NOTICE

DEPARTMENT OF HEALTH AND AGEING

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Question: 5

OUTCOME 2: Access to Pharmaceutical Services

Topic: $10 MILLION CABINET THRESHOLD

Hansard Page: 14

Senator Fierravanti-Wells asked:

In relation to any responses that the Government has made to both the Productivity Commission and the Senate Committee report (concerning recommendations about the threshold for Cabinet Consideration of PBS listings) is there now a deviation from any recommendation that the Government previously made in relation to either of these reports?

Answer:

In its August 2008 Report, *Annual Review of Regulatory Burdens on Business: Manufacturing and Distributive Trades;* the Productivity Commission did not make a specific recommendation in relation to the Cabinet threshold for Pharmaceutical Benefits Scheme listings. Therefore the Government was not required to respond.

The Government is considering the recommendations of the Senate Community Affairs Committee Report into Consumer Access to Pharmaceutical Benefits.