



Policy costing request—during the caretaker period for a general election

Name of policy:	Guaranteed access to pre-exposure prophylaxis
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	30 June 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	27 th May 2016, Senator Robert Simms http://robert-simms.greensmps.org.au/content/media-releases/australian-greens-guarantee-funding-critical-hiv-prevention-drug
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	<p>The Greens commit to guarantee access to HIV pre-exposure prophylaxis (PrEP) including:</p> <ul style="list-style-type: none">• funding supply of PrEP over the next two years (2016-2018) to up to 3,000 high-risk Australians who are not currently in clinical trials;• funding supply over the following two years (2018-2020) to up to 11,000 people as a safety net for high-risk users of PrEP should PrEP medication not be added to the PBS (8,000 users of PrEP on clinical trials expiring in 2018 + 3,000 users of PrEP who were not in the trials). <p>http://greens.org.au/prep</p>

<p>What is the purpose or intention of the policy?</p>	<p>The high level intention of the policy is to end transmission of HIV in Australia by ensuring access to PrEP for those people at high risk of exposure.</p> <p>With TGA approval, PrEP is now available for purchase in Australia, but the price is prohibitive without Pharmaceutical Benefits Scheme (PBS) listing. PrEP is otherwise available through clinical trials or through personal importation making access more difficult, and more expensive in the case of importation, than for medications listed on the PBS.</p> <p>Current clinical trials with a capped number of government funded places are expected to conclude in 2018 leaving approximately 8,000 users of PrEP without easy access to the drug unless it is listed on the PBS.</p> <p>The trials are only operating in Victoria, NSW and Queensland. It is estimated that up to 3,000 people at high-risk of exposure to HIV cannot access government funded places on clinical trials for PrEP.</p> <p>People are reliant on PrEP for protection and peace of mind. The policy provides access for up to 3,000 people who are currently not in clinical trials and extends access beyond 2018 to approximately 8,000 users of PrEP on clinical trials in the event that the PBAC has not yet approved PrEP for PBS.</p>
<p>What are the key assumptions that have been made in the policy, including:</p>	
<p>Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.</p>	<p>No</p>
<p>Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?</p>	<p>Demand driven up to a capped number of participants:</p> <p>2016/17-2017/18 – capped number of participants is 3,000 2018/18-2019/20 – capped number of participants is 11,000</p>
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>Yes. The Greens proposal involves the Commonwealth Government working with the states/territories and community organisations to support personal importation of PrEP.</p> <p>The Commonwealth meets all the costs of the program.</p>
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>No</p>
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>No</p>

PBO Policy costing request—during the caretaker period for a general election

If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	No			
Will the funding/program cost require indexation? If yes, list factors to be used.	No			
Expected impacts of the proposal				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
Estimated financial implications (outturn prices)^(a)				
	2016–17	2017–18	2018–19	2019–20
Underlying cash balance (\$m)	-4.5	-4.5	-14.1	-14.1
Fiscal balance (\$m)	-4.5	-4.5	-14.1	-14.1
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	<p>The Greens proposal involves the Commonwealth Government working with the states/territories and community organisations to support personal importation of PrEP at a cost of about \$1,200 per person, per year for people at high-risk who are not in clinical trials. This would cost about \$7.2 million over the next two years.</p> <p>\$0.9 million per year would be allocated for program administration and support for community organisations to assist clients with the personal importation of the drug. For example, the WA AIDS Council has peer navigators that assist clients with the personal importation of the drug.</p> <p>After two years and once the patent on the current drug listed by the TGA expires, up to \$26.5m will be allocated as a safety net to provide PrEP to high risk individuals if PrEP medication has not been approved for the PBS. At this time, the price of PrEP will significantly reduce as generic products come on to the market, so this allocation is regarded as an overestimate.</p> <p>Assumptions informed by stakeholders in the HIV sector.</p>			
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	No			

PBO Policy costing request—during the caretaker period for a general election

<p>What is the expected community impact of the policy?</p> <p>How many people will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>2016/17-2017/18 – capped number of participants is 3,000</p> <p>2018/18-2019/20 – capped number of participants is 11,000</p> <p>Assumptions informed by stakeholders in the HIV sector.</p>
<p>Administration of policy:</p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?</p>	<p>Department of Health</p>
<p>Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).</p>	<p>N/A</p>
<p>Intended date of implementation:</p>	<p>1 September 2016</p>
<p>Intended duration of policy:</p>	<p>Until 1 July 2020.</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No</p>
<p>List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).</p>	
<p>Are there any other assumptions that need to be considered?</p>	
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	